2504

Catahoula Parish Police Jury Harrisonburg, Louisiana

Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2009

Cinder provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

Catahoula Parish Police Jury

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Catahoula Parish Police Jury

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(Concluded)

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Independent Auditors' Report

Police Jurors Catahoula Parish Police Jury Harrisonburg, Louisiana

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit of the Fire District #1 Maintenance, each major fund, and the aggregate remaining fund information of the Catahoula Parish Police Jury as of and for the year ended December 31, 2009, which collectively comprise the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal controls over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data of all of the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for all component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements.

In our opinion, because of the omission of some of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Police Jury as of December 31, 2009, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit of the Fire District #1 Maintenance, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2009 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated June 30, 2010, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with <u>Government Auditing Standards</u> and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules, as listed in the table of contents, are not a required part of the primary government's basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements of the primary government. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the primary government financial statements. Also, the schedule of expenditures of federal awards, which is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government's basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government's basic financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the primary government of the Police Jury. Such information has not been subjected to the audit procedures applied in the audit of the primary government's basic financial statements and, accordingly, we express no opinion on it.

ALLEN, GREEN & WILLIAMSON, LLP

allen, Green & Williamson, SRP

Monroe, Louisiana June 30, 2010 Catahoula Parish Police Jury

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion And Analysis (MD&A)

Our discussion and analysis of Catahoula Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2009.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

Total spending for all our governmental activities was \$3,791,783 for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these four areas: judicial-\$255,510, finance and administration-\$159,413, public works-\$825,930 and culture and recreation-\$339,499.

Governmental activities reported an increase in net assets of \$1,083,128 mainly due to additional federal funding received to repair road damage caused by disasters and due to a capital outlay grant received from the state for road repairs. However, this was before consideration of the prior period adjustment which decreased net assets of \$44,346. See Note 17 to the notes of the financial statements for further information.

The Police Jury has multiple component units in which some are included within the Police Jury's audit report. The discretely presented component unit included within the report consists of the Fire District # 1. This component unit was presented as a blended component in the past audit reports; however, due to the organizational setup, the Police Jury changed the method of presentation to discretely presented for fiscal year ended December 31, 2009. A prior period adjustment of \$116,046, reflected in the Statement of Net Assets was in result of this change in presentation. The change in net assets for December 31, 2009 year ended was an increase of \$7,277. See Notes 1A and 18 in the Notes to the financial statements for further information. The Fire District #1 discretely presented component unit did not issue a separate report.

USING THIS ANNUAL REPORT The Police Jury's annual report consist of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - the General Fund, Road and Bridge, Hard Surfacing, Sanitation, Library, and Health Unit.

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Government-wide Financial Statements



Fund Financial Statements

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Information for Major Funds

Supplemental Information

Nonmajor Funds Combining Statements
Schedules of Changes in Deposits
Schedule of Compensation Paid Police Jurors

Single Audit Information and Other Information

Other Reports Required By Government Auditing Standards and By
Office of Management and Budget (OMB) Circular A-133

Other Information

Our auditor has provided assurance in his independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting the Police Jury as a Whole

The Statement of Net Assets and the Statement of Activities Our analysis of the Police Jury as a whole begins with the government-wide financial statements. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Assets and Statement of Activities report the following activity for the Police Jury:

Governmental activities - Most of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements, which begin on page 17, provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds - Most of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

THE POLICE JURY AS A WHOLE The Police Jury's net assets were \$6,207,594 at December 31, 2009. Of this amount, \$291,563 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the Police Jury's governmental and business-type activities.

Table 1
Net Assets
December 31.

Governmental Activities

	2009	2008	Increase (Decrease) From 2008
Current and other assets	\$ 1,960,410	\$ 2,035,307	\$ (74,897)
Capital assets	5,027,865	3,657,245	1,370,620
Total assets	6,988,275	5,692,552	1,295,723
Current and other liabilities	202,630	122,781	79,849
Long-term liabilities	458,051	517,005	(58,954)
Total liabilities	660,681	639,786	20,895
Net assets			
Invested in capital assets, net of debt	4,598,865	3,657,245	941,620
Restricted	1,317,166	1,415,369	(98,203)
Unrestricted	291,563	(19,848)	311,411
Total net assets	\$ 6,207,594	\$ 5,052,766	\$ 1,154,828

The \$291,563 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example); we would have \$291,563 left.

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2, on the next page, takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2 Changes in Net Assets Years Ended December 31,

Governmental Activities

Revenues:	2009	2008	Increase (Decrease) From 2008
Program revenues			·
Charges for services	\$ 67,318	\$ 72,413	\$ (5,095)
Operating grants & contributions	809,719	592,729	216,990
Capital grants & contributions	1,083,635	162,199	921,436
General Revenues			
Ad valorem taxes	784,302	778,686	5,616
Sales taxes	1,504,548	1,504,403	145
Severance tax	276,680	373,445	(96,765)
State revenue sharing	54,672	55,714	(1,042)
Interest and investment earnings	8,736	85,513	(76,777)
Other general revenues	285,301	292,760	(7,459)
Total revenues	4,874,911	3,917,862	957,049
Functions/Program Expenses:			
General government:			
Legislative	96,376	112,138	(15,762)
Judicial	310,906	343,505	(32,599)
Elections	22,306	28,058	(5,752)
Finance and administrative	159,413	135,068	24,345
Other general government	236,326	441,865	(205,539)
Public safety	369,979	301,445	68,534
Public works	1,980,498	1,700,546	279,952
Health and welfare	61,495	178,910	(117,415)
Culture and recreation	343,190	520,765	(177,575)
Economic development and assistance	182,553	190,468	(7,915)
Interest on long-term debt	28,741	•	28,741
Total	3,791,783	3,952,768	(160,985)
Increase (decrease) in net assets	\$1,083,128	\$ (34,906)	\$ 1,118,034

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$3,791,783. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$1,831,111 because some of the cost was paid by those who benefited from the programs \$67,318 or by other governments and organizations who subsidized certain programs with grants and contributions \$809,719 and from capital grants and contributions of \$1,083,635.

In the table below, we have presented the cost of each of the Police Jury's six largest functions—Public Works, Public Safety, Culture and Recreation, Judicial, Other General Government, and Economic Development and Assistance, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Years Ended December 31,

Governmental Activities (in thousands)

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008
Public works	\$1,980,498	\$ 825,930	\$1,700,546	\$ 1,432,858
Public safety	369,979	(93,237)	301,445	298,180
Culture and Recreation	343,190	339,499	520,765	337,804
Judicial	310,906	255,510	343,505	289,222
Other general government	236,326	180,137	441,865	335,952
Economic development and	•			
assistance	182,553	1,946	190,468	-
All others	368,331	321,326	454,174	431,411
Totals	\$3,791,783	\$ 1,831,111	\$3,952,768	\$ 3,125,427

THE POLICE JURY'S FUNDS As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$1,766,360 which is a decrease of \$153,208 from last year. The primary reasons for the decrease are:

Our general fund is our principal operating fund. The fund balance in the general fund decreased \$46,972 to \$438,028. This decrease is due to the additional funding needed to cover criminal court expenses caused by a decrease in fines and forfeiture revenue.

The Road and Bridge fund accounts for funds used to maintain the parish roads and bridges. This fund showed an increase of \$84,001 to \$166,340. The increase was due to a decrease in personnel and a decrease in payroll fringe benefit expenses due to removal of health insurance coverage.

The Hard Surfacing fund accounts for the repair of streets. This fund showed a decrease of \$291,956 to \$178,766 due mainly to the increased number of hard-surfacing projects and an increase in the cost of materials.

The Sanitation fund accounts for parish garbage collection and disposal operations. This find showed an increase of \$50,876 to \$61,078. The increase is due to the reduction of personnel in the sanitation department and also the closure of the landfill in May 2009.

The Library fund accounts for the public library. This fund showed an increase of \$33,829 to \$539,269. The increase was due to an overall decrease in expenses due to removal of health insurance coverage for employees and also due to a roofing project that was primarily completed in 2008.

The Health Unit fund accounts for the parish health center. This fund showed an increase of \$30,944 to \$273,498. The increase is due to a larger amount of ad valorem revenue is assessed for this purpose than is expended for operations.

The Other Governmental funds are comprised of the debt service funds and special revenue funds (Criminal Court, Larto-Mayna Recreation, Maitland Recreation, Section 8, and Fire District #2 Maintenance). The combined funds showed a decrease of \$13,930 to \$109,381. The decrease is due mainly to additional maintenance expenditures at Fire District #2 for repair and maintenance expenses for the building and fire truck.

General Fund Budgetary Highlights Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report).

There were significant revisions made to the 2009 general fund original budget. The primary change was to revenues. Total budgeted revenues were decreased \$94,916. The largest decreases were to severance tax revenue in the amount of \$168,000. Budgeted expenses were decreased a total of \$99,831 mainly due to a decrease in budgeted expenditures for Public Safety, Public Works, and Economic Development and Assistance.

However, the actual revenues exceeded the budgeted revenues by \$656,841 due to not budgeting for certain reimbursements received from various sources, also due to state revenue received for courthouse repairs. The federal revenue received for certain programs included in the general fund are also not included in the budgeted revenue. The actual expenditures exceeded the budgeted expenditures by \$643,149 due to not budgeting for expenses related to the federal programs included in general fund and due to not budgeting for capital outlay projects. Also, the Police Jury did not budget for all amounts transferred to other funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2009, the Police Jury had \$5,027,865 invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net increase (including additions, deductions, and depreciation) of \$1,178,920, or 30.6%, from last year.

Capital Assets at December 31

	Governmental Activities		
	2009	2008	
Land	\$ 118,200	\$ 118,200	
Construction in progress	-	201,089	
Infrastructure-roads and bridges	3,166,952	2,374,902	
Buildings and improvements	936,603	677,536	
Improvements other than buildings	130,825	117,488	
Office furniture and equipment	588,126	315,261	
Books and periodicals	51,080	44,469	
Intangible assets software	36,079	-	
Total net assets	\$5,027,865	\$3,848,945	

For further information on capital assets, see Note 6 of the Notes to the Basic Financial Statements.

Debt At the end of this year, the Police Jury had \$429,000 in bonds outstanding versus \$500,000 last year, a decrease of 14%. Those bonds consisted of:

Outstanding Debt at December 31,

	Governmental Activities	
	<u> 2009</u>	<u>2008</u>
Certificate of Indebtedness Series 2008	<u>\$429,000</u>	\$500,000

Other obligations include accrued vacation pay and estimated landfill closure payable. We present more detailed information about our long-term liabilities in Note 10 of Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2010-year budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted very little change in ad valorem and sales tax collections from 2009 to 2010. Approximately 47% of total revenue is from ad valorem and sales taxes. We have projected no increase in net assets for the 2010 budget year.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Patti Mizell, Secretary-Treasurer, at the Catahoula Parish Police Jury, P. O. Box 258, Harrisonburg, Louisiana 71340, telephone number (318) 744-5435.

Catahoula Parish Police Jury

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements (GWFS)

STATEMENT OF NET ASSETS December 31, 2009

Statement A

	GOVERNMENTAL ACTIVITIES	COMPONENT UNIT FIRE DISTRICT #1 MAINTENANCE
ASSETS:		
Cash and cash equivalents	\$ 805,887	\$ 98,011
Receivables	1,043,193	12,289
Prepaid items	111,330	0
Capital assets, net	5.027.865	110.560
TOTAL ASSETS	6,988,275	220,860
LIABILITIES	•	
Accounts, salaries and other payables	179,273	487
Interest payable	8,580	0
Deferred revenue	14,777	0
Long-term liabilities		
Due within one year	101,602	0
Due in more than one year	476.449	0
Total Liabilities	780,681	487
NET ASSETS		·
Investment in capital assets, net of related debt Restricted for:	4,598,865	110,560
Road and Bridge	166,340	0
Hard Surfacing	178,766	0
Sanitation	61,078	. 0
Library	539,269	0
Health Unit	273,498	0
Larto-Mayna Recreation	38,509	0
Maitland Recreation	12,137	0
Fire District #2 Maintenance	47,569	0
Unrestricted	291,563	109.813
TOTAL NET ASSETS	\$ 6.207,594	\$ 220,373

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2009

					PRIMARY
					GOVERNMENT
					GOVERNMENTAL
					ACTIVITIES
•		Pi	ROGRAM REVENUE	s	NET (EXPENSE)
			OPERATING	CAPITAL	REVENUE AND
		CHARGES FOR	GRANTS AND	GRANTS AND	CHANGES IN
	EXPENSES	SERVICES	CONTRIBUTIONS	CONTRIBUTIONS	NET ASSETS
FUNCTIONS/PROGRAMS					
Primary Government: Governmental Activities:					
General government:					•
Legislative	\$ 96,376	\$ 05	0	\$ 0 \$	(96,376)
Judicial	310,906	55,396			(255,510)
Elections	22,306				(22,306)
Finance and administrative	159,413		0		(159,413)
Other general government	236,326	582	5,610	49,997	(180,137)
Public safety	369,979		241,671	221,545	93,237
Public works	1,980,498	7,649	334,826	812,093	(825,930)
Health and welfare	61,495		47,005		(14,490)
Culture and recreation	343,190	3,691			(339,499)
Economic development and assistance	182,553		180,607		(1,946)
interest on long-term debt	28,741				(28,741)
Total Governmental Activities	3,791,783	67.318	809,719	1.083.635	(1.831.111)
	General revenue Taxes:				
		kes, levied for gene		•	•
	Sales taxes	, levied for general	purposes		1,504,548
	State reven	ue sharing			54,672
·	Severance	tax			276,680
	Miscellaneo	ous taxes			7,526
·	Licenses and	permits			98,903
	Interest and in	vestment eamings	;		8,736
	Miscellaneous	I		-	178,872
	Total gen	eral revenues		-	2.914,239
	Chang	es in net assets		-	1.083.128
	Net assets - beg	inning, as originally	stated		5,168,812
	Prior Period Ad	justment		-	(44,346)
	Net assets - beg	inning, as restated	•		5.124.466
	Net assets - end	ing		1	6,207,594

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

STATEMENT B

COMPONENT UNIT FIRE DISTRICT #1 MAINTENANCE					
\$	0 0 0 0 (9,410) 0 0 0 0 0 (9.410)				
\$	12,261 0 746 0 0 0 800 2,880				
•	7,277 97,050				
	213.096 220.373				

Catahoula Parish Police Jury

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Catahoula Parish Police Jury

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

GOVERNMENTAL FUNDS Balance Sheet December 31, 2009

•	G	ENERAL	ROAD AND BRIDGE	HARD SURFACING	SANITATION
ASSETS:	***************************************				
Cash and cash equivalents	\$	76,004 \$	84,264 \$	50,586 \$	14,524
Receivables		408,836	77,725	113,674	71,047
Prepaid items		45,902	12,987	28,822	12,257
TOTAL ASSETS		530,742	174,976	193,082	97,828
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables		92,714	8,636	14,316	36,750
Deferred revenue		<u>0</u>	0	0	0
Total Liabilities		92.714	8,636	14.316	36,750
Fund Balances					
Reserved for:					
Debt service		. 0	0	0	0
Unreserved, reported in:					
General		438,028	0	0	0
Special Revenue	-		166,340	178,766	61,078
Total fund balances		438.028	166,340	178,766	61,078
TOTAL LIABILITIES AND FUND BALANCES	\$	530,742 \$	<u> 174,976</u> \$	193,082 \$	97,828

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

	LIBRARY	HEALTH UNIT	OTHER GOVERNMENTAL	TOTAL
\$	296,570 \$	212,805	\$ 71,134 :	\$ 805,887
	253,280	63,320	55,311	1,043,193
_	2.254	3,087	6,021	111.330
	552,104	<u>279,212</u>	132,466	1,960,410
	12,835	5,714	8,308	179,273
	0	. 0	14,777	14.777
	12.835	5.714	23.085	194,050
	0	o	9,222	9,222
	0	0	0	438,028
	539,269	273,498	100,159	1.319.110
_	539.269	273,498	109,381	1.766,360
\$	552,104 \$	279,212	\$ 132,466	\$ 1,960,410

Catahoula Parish Police Jury

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Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets December 31, 2009

Statement D

6,207,594

Total fund balances - governmental funds	\$	1,766,360
The cost of capital assets (land, buildings, furniture and equipment and inforcemental constructed is reported as an expenditure in governmental funds. The States capital assets among the assets of the Police Jury as a whole. The is allocated over their estimated useful lives (as depreciation expense) to reported as governmental activities in the Statement of Activities. Becaudoes not affect financial resources, it is not reported in governmental funds.	tatement of Net Assets includes e cost of those capital assets o the various programs se depreciation expense	
Costs of capital assets	18,021,051	
Depreciation expense to date	(12,993,186)	
		5,027,865
Long-term liabilities applicable to the Police Jury's governmental activities	are not due and	
payable in the current period and accordingly are not reported as fund lia	bilities. All liabilities -	
both current and long term - are reported in the Statement of Net Assets.		
Balances at December 31, 2009 are:		
Interest payable	(8,580)	
Long-term liabilities		
Certificates of Indebtedness	(429,000)	
Estimated landfill closure payable	(120,000)	
Compensated absences payable	(29.051)	
		(586,631)
Net Assets	\$	6,207,594

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

GOVERNMENTAL FUNDS Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended December 31, 2009

		AND	HARD	
	 GENERAL .	BRIDGE	SURFACING	SANITATION
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 375,987	\$ 0	\$ 0	\$ 0
Sales and use	0	170,998	820,649	512,901
Other taxes, penalties and interest	7,526	C	_	0
Licenses and permits	98,903	0	0	0
Intergovernmental revenues:				
State funds:				
Severance taxes	276,680	O	0	0
Parish transportation funds	0	195,445	, ο	0
State revenue sharing (net)	27,252	0		0
State aid grants	168,457	841,292	51,855	0
Federal funds - federal grants	347,041	11,996		9,568
Fees, charges, and commissions	,		••	•
for services	582	O	. 0	7,649
Fines and forfeitures	8,804	a		0
Miscellaneous revenues	132,428	12,506	525	6,535
Use of money and property	 711	231		70
	4 444 074	4 000 400	044.474	500
Total Revenues	 1,444,371	1,232,468	911.471	536.723
EXPENDITURES				
Current:				
General government:				
Legislative	96,376	a	Q	0
Judicial	92,101	0	• 0	0
Elections	22,306	C	0	0
Finance and administrative	142,004	C	0	0
Other general government	236,326	a	0	0
Public safety	302,059	0	_	0
Public works	0	321,699	951,890	488,847
Health and welfare	1,920	Q	0	0
Culture and recreation	0	, 0	0	0
Economic development and assistance	1,946	0	-	0
Capital outlay	373,225	814,183	238,952	0
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	 0	0	0	0
Total Expenditures	 1,268,263	1,135,882	1.190.842	488.847
EXCESS (Deficiency) OF REVENUES				
OVER EXPENDITURES	\$ 176,108	\$ 96,586	\$ (279.371)	\$ 47,876

	ISFALTIJ	OTHER	Statement E
LIDDADY	HEALTH		TOTAL
LIBRARY	TINU	GOVERNMENTAL	TOTAL
		•	
\$ 282,252	\$ 70,562	\$ 55,501	· · · · · · · · · · · · · · · · · · ·
0	0	0	1,504,548
0	0	0	7,526
. 0	0	0	98,903
0	0	. 0	276,680
0	Ö	0	195,445
20,250	5,063	2,107	54,672
47,005	0	3,325	1,111,934
0	0	180,607	585,975
3,502	0	0	11,733
189	0	46,592	. 55,585
6,997	548	19,333	178,872
4,596	1,130	319	8,736
364.791	77,303	307,784	4.874,911
0	0	0	96,376
0	0	216,853	308,954
. 0	0	0	22,306
0	0	0	142,004
0	0	0	236,326
0	0	38,546	340,605
0	0	152	1,762,588
0	44,359	0 26,603	46,279
273,149 0	0	180,607	299,752 182,553
52,813	0	13,000	1,492,173
0	0	71,000	71,000
0	0	27.203	27.203
325,962	44.359	573,964	5.028.119
\$ 38.829	\$ 32,944	\$ (266,180)	\$ (153,208)

(Continued)

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2009

			RÓAD AND	HARD	
•		ENERAL	BRIDGE	SURFACING	SANITATION
OTHER FINANCING SOURCES (USES)					
Transfers in	\$	34,170 \$	0	\$ 0	\$ 3,000
Transfers out		(257,250)	(12,585)	(12,585)	<u>0</u>
Total Other Financing		10.0			
Sources (Uses)		(223,080)	(12,585)	(12,585)	3.000
Net Change in Fund Balances		(46,972)	84,001	(291,956)	50,876
FUND BALANCES - BEGINNING	- -	485,000	<u>82,339</u>	470,722	10,202
FUND BALANCES - ENDING	\$	438,028 \$	166,340	\$ <u>178,766</u>	\$ 61,078

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

		HEALTH	OTHER	
	IBRARY	UNIT	GOVERNMENTAL	TOTAL
			•	
\$	0 \$	0	\$ 254,250 \$	291,420
	(5,000)	(2,000)	(2.000)	(291,420)
	(5.000)	(2,000)	252,250	0
	33,829	30,944	(13,930)	(153,208)
	505,440	242.554	123,311	1,919,568
<u>\$</u>	539,269 \$	273,498	\$ 109,381 \$	1,766,360

(Concluded)

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Year Ended December 31, 2009

Statement F

Total net change in fund balances - governmental funds	\$	(153,208)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:		
Capital outlay 1,492,1	73	
Depreciation expense(312.0	<u>25)</u>	1,180,148
Loss on disposal of assets		- (1,228)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		71,000
In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned \$37,648 exceeded the amounts used (\$25,602) by \$12,046.		(12,046)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(1.538)
Change in net assets of governmental activities.	\$	1,083,128

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FIDUCIARY FUND STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES December 31, 2009

	Statement G
	AGENCY FUND
ASSETS	
Sales tax receivable	\$ 137,359
TOTAL ASSETS	137,359
LIABILITIES Deposits due others	137,359
TOTAL LIABILITIES	<u>\$ 137.359</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Catahoula Parish Police Jury (the Police Jury) is the governing authority for Catahoula Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by nine jurors representing the various districts within the parish. The jurors serve four-year terms which expire in December 2011.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, library facilities, airport facilities, and health care facilities.

A. REPORTING ENTITY As the governing authority of the parish, for reporting purposes, the Catahoula Parish Police Jury is the financial reporting entity for Catahoula Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Catahoula Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- 1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
- 2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity:

	Method of	Fiscal	Criteria
Component Unit	<u>Inclusion</u>	Year End	_Used
Included within the reporting entity:			***************************************
Catahoula Parish Library	Blended	December 31	1 and 3
Catahoula Parish Health Unit	Blended	December 31	2 and 3
Seventh Judicial District Criminal Court (Catahoula Parish)	Blended	December 31	2 and 3
Larto-Mayna Recreation District	Blended	December 31	1 and 3

Maitland Recreation District Hospital District #1 Bond Sinking Fire District #2	Blended Blended Blended	December 31 December 31 December 31	1 and 3 1 and 3 1 and 3
Fire District #1 Maintenance	Discrete	December 31	1 and 3
Not included within the reporting entity: Hospital District #1			
Hospital District #2		December 31	2 and 3
Fire District #3		December 31	2 and 3
Fire District #4		December 31	2 and 3
Fire District #5		December 31	1 and 3
Fire District #6		December 31	1 and 3
Communications District (E-911)		December 31	1 and 3
Leland Fire District		December 31	1 and 3
Enterprise Recreation District		December 31	1 and 3
Maitland Water District		December 31	1 and 3

The financial audit reports of the component units may be obtained by contacting the respective entities.

Considered in the determination of component units of the reporting entity were the Catahoula Parish School Board, the Catahoula Parish Sheriff, the Catahoula Parish Tax Assessor, the Catahoula Clerk of Court, the District Attorney and Judges for the Sixth Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Catahoula Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Catahoula Parish Police Jury.

B. FUNDS The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Governmental funds: The governmental funds are divided into separate "fund types." Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on the recovering the cost of providing services to the public or other agencies through service charges or user fees. The major governmental funds of the Police Jury are described as follows:

General fund – The general fund is the Police Jury's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Road and Bridge – The Road and Bridge fund accounts for the operation of the road and bridge maintenance department. Financing is provided by sales tax revenues, grants from the Parish Transportation Fund and transfers from the General Fund.

Hard Surfacing – The Hard Surfacing fund accounts for the construction and maintenance of hard surface roads in the parish. Financing is provided by a one-cent sales and use tax.

Sanitation – The Sanitation fund accounts for parish garbage collection and disposal operations. Financing is provided by a one cent sales and use tax.

Library fund – The Library fund accounts for the operation of the parish library. Revenue is provided by ad valorem taxes, state revenue sharing, and other state grants.

Health Unit – The Health Unit fund accounts for the operation and maintenance of the parish health unit. Financing is provided primarily by ad valorem taxes and state revenue sharing funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

<u>Program revenues</u> Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Allocation of indirect expenses The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised

Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales taxes are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized when they become available to the Police Jury.

Based on the above criteria, ad valorem taxes, sales taxes, federal and state grants, and fines, forfeitures, and court costs have been treated as susceptible to accrual.

Expenditures Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are recognized when due.

Other Financing Sources (Uses) Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. ENCUMBRANCES Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is not employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

- E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.
- F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS) During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.
- G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities some amounts reported as interfund activity and balances in the funds were

eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

- H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items primarily consist of prepaid insurance.
- I. CAPITAL ASSETS Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Approximately 80% of the Police Jury's non-infrastructure assets are based on actual costs while the remaining 20% are based on the actual historical costs of like items. The cost of infrastructure assets (e.g. roads, bridges, and other assets that are immovable and of value only to the government) acquired prior to 2008 are based on current replacement cost capitalized adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Police Jury maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs which do not add to the value of assets or materially extend their useful lives are not capitalized.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Infrastructure roads & bridges:	20-40 years
Buildings & building improvement	10-40 years
Furniture and fixtures	5 to 10 years
Vehicles	5 to 10 years
Heavy equipment	5-10 years
Other equipments	5-10 years
Intangible assets - Software	7 years

J. COMPENSATED ABSENCES

Police Jury

Employees of the Police Jury earn vacation leave at rates varying from 5 to 20 days per year, depending on length of service. Employees may accumulate and carry forward no more than 30 days of vacation leave. Upon separation or retirement, employees are paid for any unused vacation leave. Jury employees earn 12 days sick leave each year. Sick leave can be accumulated up to 60 days. Employees are not compensated for sick leave at termination or retirement.

Library

Full-time employees of the library earn from 7 to 21 days of vacation and sick leave each year, depending on their length of service and professional status. A maximum of ¼ of the amount granted n vacation days and ½ of the amount granted in sick days can be accumulated and carried forward to succeeding years. Upon separation or retirement, employees are paid for any accumulated vacation leave, however, all accumulated sick leave is forfeited.

Criminal Court

Employees of the criminal court earn vacation leave at rates varying from 5 to 20 days per year, depending on length of service. Vacation leave must be taken in the year earned and cannot be carried forward. Employees earn 10 days sick leave each year which is non-accumulative.

District Attorney

Employees can accumulate sick leave. The Judge's employees can earn from 12-24 days of vacation and sick leave per year and can be accumulated. Sick leave is forfeited upon termination of employment.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a currentyear expenditure within the various funds when leave is actually taken or when employees are paid for accrued vacation leave upon retirement.

The Police Jury's recognition and measurement criterion for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

The employees' right to receive compensation is attributable to services already rendered.

It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

K. LIABILITIES For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

L. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. All of the Police Jury's restricted net assets are restricted by enabling legislation except for net assets restricted for housing assistance payments.

It is the Police Jury's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

- M. RESERVED FUND BALANCES OF FUND FINANCIAL STATEMENTS Reserves represent those portions of fund balance that are not appropriable for expenditures or that are legally segregated for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.
- N. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. SALES TAXES On November 2, 2004, voters of the parish renewed a one percent (1%) sales tax that was dedicated to construct, acquire, extend, improve, maintain and/or operate garbage collection and disposal facilities and equipment. The tax was renewed for a ten (10) year period and expires on March 31, 2015. The proposition provides that the proceeds of the tax be allocated between the Police Jury the incorporated municipalities of Catahoula Parish. The renewal proposition allocates seventy-five percent (75%) of the proceeds to the parish and the remaining twenty-five percent (24%) of the proceeds to be allocated to the municipalities of Jonesville (16.5%), Sicily Island (5%), and Harrisonburg (3.5%).

On November 19, 1990, voters of the parish approved the renewal of the one percent (1%) sales tax dedicates to hard-surfacing existing roads and maintaining hard-surfaced roads in the parish. The tax is for a period of ten (10) years and expires on January 31, 2011. The renewal proposition allocates ninety percent (90%) of the proceeds to the parish and the remaining ten (10%) of the proceeds to be allocated to the municipalities of Jonesville (7%), Sicily Island (2%), and Harrisonburg (1%), for the purpose of hard-surfacing existing streets and roads within the respective municipalities.

The Police Jury entered into an agreement with the Concordia Parish School Board on March 5, 1985, whereby the school board tax department provides sales tax collection services for a fee of one and one-quarter per cent (11/4%) of amounts actually collected, plus the cost of travel, supplies, and postage. Taxes collected are deposited directly into the Police Jury's bank account in the month collected by the School Board

- P. DEFERRED REVENUES The Police Jury reports deferred revenues on its statement of net assets. Deferred revenues arise when resources are received by the Police Jury before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Police Jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.
- Q. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2-STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2009:

	Final Budget	<u>Actual</u>	Unfavorable Variance
General Fund	\$ 880,585	\$1,525,513	\$644,925
Road and Bridge	351,745	1,148,467	796,722
Hard Surfacing	1,194,529	1,203,427	8,898
Library	324,540	330,962	6,422
Health Unit	39,000	46,359	7,359

NOTE 3 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Catahoula Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Catahoula Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Catahoula Parish sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Millage rates adopted	September 14, 2009
Levy date	January 1, 2009
Tax bills mailed	1st week of November, 2009
Due date	December 31, 2009
Collection dates	December 2009 through February 2010
Tax sale - 2009 delinquent property	May 12, 2010

Assessed values are established by the Catahoula Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2009. Total assessed value was \$49,958,480 in calendar year 2009. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$14,750,751 of the assessed value in calendar year 2009.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the General fund, Library fund, Health Unit fund, Larto-Mayna Recreation fund, Maitland Recreation fund, Fire District #2 fund and the component unit discretely presented, Fire District #1Maintenance fund. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2009 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2009:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
General fund:			
Inside municipalities	1.76	1.69	Indefinite
Outside municipalities	3.58	3.39	Indefinite
Parish General fund	8.00	8.00	2013
Special revenue funds:			
Library	8.28	8.28	2019
Health unit	2.07	2.07	2019
District taxes:			
Special revenue funds:			
Larto-Mayna Recreation	5.20	5.20	2019
Maitland Recreation	5.00	5.00	2014
Fire District No. 2	3.00	3.00	2016
Fire District No. 1	5.00	6.23	2017

The difference between authorized and levied millages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

NOTE 4 - CASH AND CASH EQUIVALENTS At December 31, 2009, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits	\$755,587
Time Deposits	50,000
Petty cash	300
Total (cash and cash equivalents per Statement A)	\$805.887

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk At year-end the bank balance was \$970,089 which was covered by federal depository insurance or by collateral held by the Police Jury's agent in the Police Jury's name (GASB Category 1). The Police Jury also collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand. The Police Jury's policy does not address custodial credit risk.

Interest Rate Risk The Police Jury's policy does not address interest rate risk.

Credit Risk The Police Jury does have some deposits in certificates of deposits, which do not have credit ratings; however the Police Jury's policy does not address credit rate risk.

At December 31, 2009, Fire District #1 Maintenance (component unit) had cash and cash equivalents totaling \$98,011(book balance per Statement A) consisting of \$77,283 in demand deposits and \$20,728 in time deposits. The bank balance of \$97,105 was secured by federal depository insurance.

NOTE 5-RECEIVABLES The following is a summary of receivables at December 31, 2009:

Class of Receivables	_	General		load and Bridge		Hard Surfacing	_\$	mitation	_	Library	_	Health Unit	Go	Other ernmental	 District #1	 Total
Ad valorem taxes Sales and use taxes	\$	309,621	\$	23,682	2	113,674	\$	71,047	\$	233,030	\$	58,257	2	45,626	\$ 11,543	\$ 658,077 208,403
Intergovernmental Other		97,587 1,628	_	54,043						20,250		5,063		2,852 6,833	746	180,541 8,461
Totals	<u>\$</u>	408,836	\$	77,725	\$	113,674	<u>s</u>	71,047	\$	253,280	5	63,320	\$	55,311	\$ 12,289	\$ 1,055,482

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full, so no allowance for doubtful accounts has been established.

NOTE 6 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	Balance Beginning	Additions	Deletions	Balance Ending		
Governmental activities						
Nondepreciable capital assets:						
Land	\$ 118,200	\$ -	\$ -	\$ 118,200		
Construction in progress	201,089	14,984	216,073			
Total nondepreciable capital assets	319,289	14,984	216,073	118,200		
Depreciable capital assets:						
· Infrastructure -roads and bridges	10,203,130	887,010	-	11,090,140		
Buildings and improvements	3,103,225	294,666	800	3,397,091		
Improvements other than buildings	169,365	16,394	-	185,759		
Office furniture and equipment	2,171,983	421,304	40,579	2,552,708		
Books and periodicals	611,774	35,034	8,509	638,299		
Intangible assets - software		38,854		38,854		
Total depreciable capital assets	16,259,477	1,693,262	49,888	17,902,851		
Less accumulated depreciation:						
Infrastructure -roads and bridges	7,828,228	94,960	-	7,923,188		
Buildings and improvements	2,425,689	34,858	59	2,460,488		
Improvements other than buildings	51,877	3,057	-	54,934		
Office furniture and equipment	1,856,722	147,952	40,092	1,964,582		
Books and periodicals	567,305	28,423	8,509	587,219		
Intangible assets - software	-	2,775		2,775		
Total accumulated depreciation	12,729,821	312,025	48,660	12,993,186		
Total depreciable capital assets, net	3,529,656	1,381,237	1,228	4,909,665		
Governmental activities	-					
Capital assets, net	\$ 3,848,945	\$ 1,396,221	\$ 217,301	\$ 5,027,865		

Depreciation and amortization expense was charged to governmental activities for the Police Jury as follows:

General government	\$ 16,442
Public Safety	29,374
Public Works (including depreciation on road infrastructure)	209,647
Health and Welfarc	15,216
Culture and recreation	41,346
Total	\$ 312,025

The prior year ending balances for capital asset have been adjusted for capital assets for the discretely presented component unit Fire District#1 Maintenance being presented separately for the current-year. Also, construction in progress prior year ending balance was adjusted for expenses for roofs in the amount of \$191,700 which should have been capitalized in prior year. See Note 17 in the notes to the financial statements for more information.

The following schedule presents changes in capital assets for the component unit, Fire District #1 Maintenance:

	Balance Beginning	Additions	Deletions	Balance Ending	
Depreciable capital assets					
Buildings and improvements	\$ 88,375	\$ -	\$ -	\$ 88,375	
Office furniture and equp iment	74,150			74,150	
Total	162,525	-	_	162,525	
Less accumulated depreciation					
Buildings and improvements	16,018	2,209	-	18,227	
Office furniture and equp iment	30,461	3,277		33,738	
Total	46,479	5,486		51,965	
Component unit activities					
cap ital assets, net	\$ 116,046	\$ (5,486)	<u> </u>	\$110,560	

Depreciation expense was charged to governmental activities for the component unit activities as follows:

Public Safety \$5,486

NOTE 7 - RETIREMENT SYSTEMS Substantially all employees of the Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 65 with a minimum of seven years of creditable service, at or after age 60 with at least 30 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.25 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's

contributions to the System under Plan A for the years ending December 31, 2009, 2008, and 2007, were \$61,093, \$69,000, and \$79,145, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

		General	 oad and Bridge	Hard Irfacing	Sa	anitation	 Library	F	lealth Unit	Other ernmental	 District #1	 Total
Vendor	s	90,799	\$ 5,833	\$ 9,618	\$	36,750	\$ 12,835	\$	5,714	\$ 6,408	\$ 487	\$ 168,444
Salaries		1,915	 2,803	 4,698			 · -			1,900	 •	 11,316
Totals	\$	92,714	\$ 8,636	\$ 14,316	\$	36,750	\$ 12,835	\$	5,714	\$ 8,308	\$ 487	\$ 179,760

NOTE 9 - COMPENSATED ABSENCES At December 31, 2009, employees of the Police Jury, Library, and Criminal Court had accumulated and vested \$29,051 of employee leave benefits, of which \$2,675 were salary-related benefits. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized in the appropriate fund when leave is actually taken.

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31:

	eginning Balance	_A	dditions	_ D	eletions	Ending Balance		ounts Due ithin One year
Governmental Activities	 • ,					 	•	
Bonds payable:								
General obligation debt	\$ 500,000	\$	-	\$	71,000	\$ 429,000	\$	76,000
Other Liabilities:								
Estimated landfill closure payable	120,000		-		-	120,000		-
Compensated absences	17,005		37,648		25,602	29,051		25,602
Governmental Activities					···· · · · · · · · · · · · · · · · · ·		·	
Long-term liabilities	\$ 637,005		37,648	_\$_	96,602	\$ 578,051	\$	101,602

Payments on the general obligation bonds payable that pertain to the Police Jury's governmental activities are made by the debt service fund. The compensated absences liability attributable to the governmental activities will be liquidated by the General fund, Road and Bridge fund, Hard Surfacing fund, Library fund and Other Governmental funds.

The general obligation bonds payable at December 31, is the following issue:

			Final		
	Original	Interest	Payment	Interest to	Principal
	Amount	Rates	<u>Due</u>	<u>Maturity</u>	Outstanding
Issue-2008	\$500,000	6.00%	3/1/2014	\$67,350	\$429,000

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, the Police Jury had accumulated \$47 in the debt service fund for future debt requirements. The bonds are due as follows:

	Principal	Interest	
Year Ending December 31,	Payments	Payments	Total
2010	\$ 76,000	\$ 23,460	\$ 99,460
2011	81,000	18,750	99,750
2012	85,000	13,770	98,770
2013	91,000	8,490	99,490
2014	_96,000	2,880	98,880
Total	\$ 429,000	\$ 67,350	\$496,350

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, the statutory limit is \$4,995,848 and net outstanding bonded debt totals \$428,953.

NOTE 11 - CRIMINAL COURT FUND Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court fund at year end be transferred to the parish General fund. At fiscal year ended December 31, 2009, the Criminal Court Fund had \$3,593 in net assets; however, the Jury decided not to transfer one-half the balance to the General Fund.

NOTE 12 - INTERFUND TRANSFERS (FFS LEVEL ONLY)

Receivable Fund	Payable Fund	Amount
General Fund	Road and Bridge	\$ 12,585
	Hard Surfacing	12,585
	Library	5,000
	Health Unit	2,000
	Other governmental	2,000
Sanitation	General Fund	3,000
Other governmental	General Fund	254,250
Total		\$ 291,420

The purpose of the transfers was to fund the Criminal Court Fund and for payroll and related expenses.

NOTE 13 - LITIGATION AND CLAIMS

<u>Litigation</u> At December 31, 2009, the Police Jury was involved in a couple of litigations; however, these pertained to insurance claims in which the Police Jury's legal counsel that oversees insurance claims stated that the insurance should cover the potential liability.

<u>Grant Disallowances</u> The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

NOTE 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisianan Rural Parish Insurance Cooperative, a self-insurance fund. This self-insurance program is a public entity risk pool which was approved by the State of Louisiana Insurance Commission. The cooperative operates as any other commercial insurance company. Three insurance companies currently share the excess coverage insurance. The first \$100,000 of all coverage is self-funded by the combined contributions of the members. No additional assessments can be made against the Police Jury. The Police Jury is responsible only for the payment of premiums.

NOTE 15 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY) A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Deletions	Balance at Ending of Year
Agency Funds:				
Occupational tax	\$ -	\$ 93,123	\$ 93,123	\$ -
Sales tax		1,825,961	1,688,602	137,359
Totals	\$ -	\$1,919,084	\$1,781,725	\$137,359

NOTE 16 - SUBSEQUENT EVENTS During the January 25, 2010 Police Jury meeting, the Police Jury voted to donate the Harrisonburg Ball Park land to the Village of Harrisonburg. The Police Jury owned the land while the Village of Harrisonburg was maintaining the land. The Village received a grant to make improvements to the property.

NOTE 17 - PRIOR PERIOD ADJUSTMENT The prior year ending balances for capital asset have been adjusted for capital assets for the discretely presented component unit Fire District#1 Maintenance being presented separately for the current-year, this increased the net assets of the discretely presented component and decreased the governmental activities net assets in the amount of \$116,046. Also, construction in progress prior year ending balance was adjusted for expenses for roofs in the amount of \$191,700 which should have been capitalized in prior year. Additionally, the estimated landfill closure cost of \$120,000 was not recorded as a long-term liability in the prior year. The net effect of the prior period adjustments for the governmental activities was a decrease of \$44,346 in net assets and the net effect for the discretely present component unit was an increase in net assets of \$116,046. These prior year adjustments are reflected on Statement B-Statement of Activities.

NOTE 18 - CHANGE IN FINANCIAL STATEMENT PRESENTATION In past years the Police Jury has reported the Fire District #1 Maintenance fund as a blended component unit. However due to the Fire District's organizational setup, the Police Jury has changed its method of presentation to be a discretely presented component unit. This presentation will remain consistent in future years.

NOTE 19 - INSURANCE RECOVERIES In the fiscal year ended December 31, 2009, the Police Jury received \$84,773 for insurance recoveries for the courthouse elevator, which is recorded in the general fund. These recoveries are classified as miscellaneous revenue in the statement of activities - governmental activities and in the statement of revenues, expenditures and changes in fund balances.

NOTE 20 - SOLID WASTE LANDFILL COSTS State and federal laws and regulations require the Catahoula Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Catahoula Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Catahoula Parish Landfill has closed the landfill as of December 31, 2009.

The estimated total cost of the landfill closure and post closure care is \$120,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2009 from an engineer's evaluation as of May 2008. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Catahoula Parish Police Jury has the full estimated closure cost recorded in the Statement of Net Assets and would be paid by the general fund. Additionally, the Police Jury has an irrevocable letter of credit with Catahoula-LaSalle Bank for \$120,000 for the estimated costs.

The Catahoula Parish Police Jury are in negotiations with the Department of Environmental Quality to get the ownership of the landfill transferred to an outside vendor.

Catahoula Parish Police Jury

REQUIRED SUPPLEMENTAL INFORMATION

Cataboula Parish Police Jury

Budgetary Comparison Schedules

General Fund And Major Special Revenue Funds With Legally Adopted Annual Budgets

General fund - The general fund is the Police Jury's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Road and Bridge — The Road and Bridge fund accounts for the operation of the road and bridge maintenance department. Financing is provided by sales tax revenues, grants from the Parish Transportation Fund and transfers from the General Fund.

Hard Surfacing — The Hard Surfacing fund accounts for the construction and maintenance of hard surface roads in the parish. Financing is provided by a one-cent sales and use tax.

Sanitation – The Sanitation fund accounts for parish garbage collection and disposal operations. Financing is provided by a one cent sales and use tax.

Library fund – The Library fund accounts for the operation of the parish library. Revenue is provided by ad valorem taxes, state revenue sharing, and other state grants.

Health Unit – The Health Unit fund accounts for the operation and maintenance of the parish health unit. Financing is provided primarily by ad valorem taxes and state revenue sharing funds.

GENERAL FUND Budgetary Comparison Schedule For the Year Ended December 31, 2009

				VARIANCE WITH
			ACTUAL	FINAL BUDGET
	BUDGETED A		AMOUNTS	POSITIVE
	ORIGINAL	FINAL	(BUDGETARY BASIS)	(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 485,116 \$	485,000	\$ 485,000	\$ 0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	330,000	359,800	375,987	16,187
Other taxes, penalties and interest	7,500	7,700	7,526	(174)
Licenses and permits	80,000	86,700	98,903	12,203
Intergovernmental revenues:				
State funds:				
Severance taxes	370,000	202,000	276,680	74,680
State revenue sharing (net)	28,800	27,700	27,252	(448)
State aid grants	38,000	38,000	168,457	130,457
Federal funds - federal grants	2,000	4,000	347,041	343,041
Fees, charges, and commissions for services	1,000	1,000	582	(418)
Fines and forfeitures	0	0	8,804	8,804
Miscellaneous revenues	18,000	54,000	132,428	78,428
Use of money and property	1,200	800	711	(89)
Transfers from other funds	<u>0</u>	40,000	34.170	(5.830)
Amounts available for appropriations	1,361,616	1,306,700	1,963,541	656.841
Charges to appropriations (outflows)				
General government:	i,		1	
Legislative	107,700	103,600	96,376	7,224
Judicial	62,220	61,290	92,101	(30,811)
Elections	23,504	23,640	· . •	1,334
Finance and administrative	273,210	165,785	•	23,781
Other general government	240,000	208,000	236,326	(28,326)
Public safety	216,400	174,350		(127,709)
Health and welfare	2,880	•	1,920	(127,709)
Economic development and assistance	14,502	1,920 2,000	1,946	54
Capital outlay	14,502	2,000	373,225	(373,225)
Transfers to other funds	_	_		• • •
Hanaga io one: Rings	0	140,000	257,250	(117,250)
Total charges to appropriations	940,416	880,585	1.525,513	(644,928)
BUDGETARY FUND BALANCES, ENDING	\$ 421,200 \$	428,115	\$ 438,028	<u>\$ 11.913</u>

ROAD AND BRIDGE Budgetary Comparison Schedule For the Year Ended December 31, 2009

		BUDGETED A	MOUNTS	ACTUAL.	VARIANCE WITH FINAL BUDGET POSITIVE
	0	ORIGINAL FINAL (E		(BUDGETARY BASIS)	(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$	82,339 \$	82,339	\$ 82,339	\$ 0
Resources (inflows)					
Local sources:					
Taxes:		•			
Sales and use		173,000	160,000	170,998	10,998
Intergovernmental revenues:					
State funds:				•	
Parish transportation funds		211,000	175,000	195,445	20,445
State aid grant		9,500	5,000	841,292	836,292
Federal funds - federal grants		0	12,000	11,996	(4)
Miscellaneous revenues		3,000	4,400	12,506	8,106
Use of money and property		100	200	231	31
Transfers from other funds		0	33.000	0	(33.000)
Amounts available for appropriations		478,939	471,939	1,314,807	842,868
Charges to appropriations (outflows)					
Public works		398,150	349,245	321,699	27,546
Capital outlay		2,000	2,500	814,183	(811,683)
Transfers to other funds		0	0	12,585	(12.585)
Total charges to appropriations		400.150	351,745	<u>1,148,467</u>	(796,722)
BUDGETARY FUND BALANCES, ENDING	\$	78,789 \$	120,194	\$ 166.340	\$ 46,146

HARD SURFACING Budgetary Comparison Schedule For the Year Ended December 31, 2009

		BUDGETED A	MOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE	
	0	ORIGINAL FINAL		(BUDGETARY BASIS)	(NEGATIVE)	
BUDGETARY FUND BALANCES, BEGINNING	\$	470,722 \$	470,722	\$ 470,722	\$ 0	
Resources (inflows)						
Local sources:						
Taxes:						
Sales and use		835,000	765,000	820,649	55,649	
Intergovernmental revenues:					•	
State funds:						
State aid grants		0	0	51,855	51,855	
Federal funds - federal grants		0	36,800	36,763	(37)	
Miscellaneous revenues		1,000	3,500	525	(2,975)	
Use of money and property		2.500	2,000	1.679	(321)	
Amounts available for appropriations		1.309,222	1.278,022	1,382,193	104.171	
Charges to appropriations (outflows)						
Public works		660,329	1,088,529	951,890	136,639	
Capital outlay		200,000	106,000	238,952	(132,952)	
Transfers to other funds		0	0	12,585	(12,585)	
Total charges to appropriations		860,329	1.194.529	1,203,427	(8.898)	
BUDGETARY FUND BALANCES, ENDING	\$	448,893 \$	83,493	178.766	95.273	

SANITATION Budgetary Comparison Schedule For the Year Ended December 31, 2009

·			ACTUAL	VARIANCE WITH FINAL BUDGET
	BUDGETED	AMOUNTS	AMOUNTS	POSITIVE
	ORIGINAL	. FINAL	(BUDGETARY BASIS)	(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 10,202 \$	10,202	\$ 10,202	\$ 0
Resources (inflows)				
Local sources:				
Taxes:	,			
Sales and use	518,000	475,000	512,901	37,901
Intergovernmental revenues:		•		
Federal funds - federal grants	0	9,500	9,568	68
Fees, charges, and commissions for services	13,500	7,800	7,649	(151)
Miscellaneous revenues	4,000	22,500	6,535	(15,965)
Use of money and property	150	100	70	(30)
Transfers from other funds		0	3,000	3,000
Amounts available for appropriations	545,852	525,102	549,925	24.823
Charges to appropriations (outflows) General government:				
Public works	496,270	515.820	488.847	26.973
Total charges to appropriations	498,270	515,820	488,847	26,973
BUDGETARY FUND BALANCES, ENDING	\$ 49.582 \$	9,282	\$ 61.078	\$ 51,796

LIBRARY Budgetary Comparison Schedule For the Year Ended December 31, 2009

			ACTUAL	VARIANCE WITH FINAL BUDGET	
	BUDGETED A	MOUNTS	AMOUNTS	POSITIVE	
•	ORIGINAL	FINAL	(BUDGETARY BASIS)	(NEGATIVE)	
BUDGETARY FUND BALANCES, BEGINNING	505,440	505,440	505,440	0	
Resources (inflows)					
Local sources:					
Taxes:					
Ad valorem	220,000	270,000	282,252	12,252	
Intergovernmental revenues:					
State funds:					
State revenue sharing (net)	21,434	13,726	20,250	6,524	
Other	4,670	47,005	47,005	0	
Fees, charges and commission	2,600	4,360	3,502	(858)	
Fines and forfeitures	200	190	189	(1)	
Miscellaneous revenues	0	5,600	6,997	1,397	
Use of money and property	5,700	4.650	4,596	(54)	
Amounts available for appropriations	760,044	850,971	870,231	19,260	
Charges to appropriations (outflows)					
Culture and recreation	259,920	288,340	273,149	15,191	
Capital outlay	32,000	36,200	52,813	(16,613)	
Transfer to other funds		0	5,000	(5,000)	
Total charges to appropriations	291,920	324.540	330,962	(6,422)	
BUDGETARY FUND BALANCES, ENDING	\$ 468,124 <u>\$</u>	526,431	\$ 539,269	\$12,838	

HEALTH UNIT Budgetary Comparison Schedule For the Year Ended December 31, 2009

		BUDGETED A	MOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE
		RIGINAL	FINAL	(BUDGETARY BASIS)	(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$	242,554 \$	242,554	\$ 242,554	\$ 0
Resources (inflows)		,			
Local sources:					
Taxes:			•		
Ad valorem		61,500	67,000	70,582	3,562
Intergovernmental revenues:					
State funds:					
State revenue sharing		5,400	5,100	5,063	(37)
Miscellaneous revenues		0	0	548	548
Use of money and property		1,200	1,200	1.130	(70)
Amounts available for appropriations		310,654	315,854	319,857	4,003
Charges to appropriations (outflows)					
Health and welfare		42,200	39,000	44,359	(5,359)
Transfers to other funds		1,000	0	2.000	(2,000)
Total charges to appropriations		43,200	39,000	46,359	(7,359)
BUDGETARY FUND BALANCES, ENDING	\$	267,454 \$	276,854	\$ 273,498	\$ (3,356)

Cataboula Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2009

A. BUDGETS

General Budget Policies Preliminary budgets for the ensuing year are prepared by the secretary-treasurer beginning in October of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2009, cash basis budgets were adopted for the general fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements per Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

<u>Encumbrances</u> Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

B. Unfavorable Budget Variances

Actual Expenditures Greater Than Budgeted Expenditures

	Final Budget	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 840,58 5	\$1,525,513	\$644,928
Road and Bridge	318,745	1,148,467	796,722
Hard Surfacing	1,192,029	1,203,427	8,898
Library	324,540	330,962	6,422
Health Unit	39,000	46,359	7,359

Catahoula Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2009

C. BUDGET TO GAAP RECONCILIATION – EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General	Road and Bridge	Hard Surfacing	Sanitation	Library	Health Unit
Sources/inflows of resources:						
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,963,541	\$ 1,314,807	\$ 1,382,193	\$ 549,925	\$ 870,231	\$ 319,857
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(485,000)	(82,339)	(470,722)	(10,202)	(505,440)	(242,554)
Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditure for financial reporting	(34,170)	<u> </u>		(3,000)		
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 1,444,371	\$ 1,232,468	\$ 911,471	\$ 536,723	\$ 364,791	\$ 77,303
Uses/Outflows of resources:						
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,525,513	\$ 1,148,467	\$ 1,210,614	\$ 488,847	\$ 330,962	\$ 46,359
Transfers of tax collections to other funds classified as a transfer out for budgetary purposes and as a reduction of tax revenue for financial reporting	(257,250)	(12,585)	. (12,585)	•	(5,000)	(2,000.00)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 1,268,263	\$ 1,135,882	\$ 1,198,029	\$ 488,847	\$ 325,962	\$ 44,359

Catahoula Parish Police Jury

SUPPLEMENTAL INFORMATION

COMBINING NONMAJOR GOVERNMENTAL FUNDS BY FUND TYPE

NONMAJOR GOVERNMENTAL FUNDS Combining Balance Sheet - By Fund Type December 31, 2009

		SPECIAL REVENUE	DEBT SERVICE	CAPITAL. PROJECTS	TOTAL
ASSETS			•		
Cash and cash equivalents	\$	61,912 \$	9,222 \$	0.5	71,134
Receivables		55,311	0	0	55,311
Prepaid items	_	6,021	0	0	6,021
TOTAL ASSETS		123.244	9,222	0	132,466
LIABILITIES AND FUND BALANCES Liabilities:					
Accounts, salaries and other payables		8,308	0	0	8,308
Deferred revenue ,		14,777	0	0	14.777
Total Liabilities	*******	23.085	0	0	23.085
Fund Balances:					
Reserved for debt service		0	9,222	0	9,222
Unreserved, reported in			_	_	
Special Revenue	_	100,159	0	0	100,159
Total Fund Balances		100.159	9,222	<u> </u>	109,381
TOTAL LIABILITIES AND FUND BALANCES	\$	123,244 \$	9,222 \$	0 9	132,466

NONMAJOR GOVERNMENTAL FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances- By Fund Type For the Year Ended December 31, 2009

		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES		NEVENUE.	<u> </u>		10105
Local sources:					
Taxes:					
Ad valorem	\$	55,501	\$ 0:	\$ 0 \$	55,501
Intergovernmental revenues:	•	00,001	•	•	00,001
State funds:					
State revenue sharing (net)		2,107	0	0	2,107
State aid grants		3,325	Ö	Ö	3,325
Federal funds - federal grants		180,607	Ö	Ö	180,607
Fines and forfeitures		46,592	ō	ō	46,592
Miscellaneous revenues		19,333	Ö	ō	19,333
Use of money and property		319	0	n	319
	-				
Total Revenues		307,784	0	0	307,784
EXPENDITURES					•
Current;					
General government:			•		
Judicial		216,853	0	0	216,853
Public safety		38,546	0	0	38,546
Public works		. 0	0	152	152
Culture and recreation		26,603	Ö	0	26,603
Economic development and assistance		180,607	0	. 0	180,607
Capital outlay		13,000	0	0	13,000
Debt service:					
Principal retirement		0	71,000	0	71,000
Interest payment	_	0	27.203	0	27,203
Total Expenditures		475,609	98,203	152	573.964
EXCESS (Deficiency) OF REVENUES					
OVER EXPENDITURES	•	(167.825)	(98,203)	(152)	(266,180)
OTHER FINANCING SOURCES (USES)					
Transfers in		156,000	98,250	0	254,250
Transfers out	_	(2,000)	0	0	(2.000)
Total Other Financing Sources (Uses)		154,000	98,250	0	252,2 50
Net Change in Fund Balances		(13,825)	47	(152)	(13,930)
FUND BALANCES - BEGINNING		113.984	9.175	152	123.311
FUND BALANCES - ENDING	<u>\$</u>	100,159	\$ <u>9,222</u> \$	\$ <u>0</u> \$	109.381

Catahoula Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

CRIMINAL COURT This fund was created by Section 571.11 of title 15 of the Louisiana revised Statutes of 1950 which provides that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited in a special Criminal Court Fund account to be used for the operations of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judge. The Statute also requires that one-half of the fund balance remaining in the Criminal court fund at December 31, of each year be transferred to the parish General Fund.

LARTO-MAYNA RECREATON FUND This fund accounts for operations of the recreation district. Financing is provided by ad valorem taxes and state revenue sharing funds.

MAITLAND RECREATION FUND This fund accounts for operations of the recreation district. Financing is provided by ad valorem taxes and state revenue funds.

SECTION 8 This fund accounts for the federal funds received by the U. S. Department of Housing and Urban Development pass through another entity to administer the Housing Choice Voucher Program.

FIRE DISTRICT #2 MAINTENANCE FUND This fund accounts for operations of the fire district. Financing is provided by ad valorem taxes and state revenue funds.

NONMAJOR SPECIAL REVENUE FUNDS Combining Balance Sheet December 31, 2009

·		IMINAL !		MAITLAND ECREATION
ASSETS:				
Cash and cash equivalents	\$	316 \$	15,758 \$	5,809
Receivables		7,579	21,727	6,631
Prepaid items		0	1,933	0
TOTAL ASSETS	LMM	7,895	39,418	12,440
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables		6,067	909	303
Deferred revenue		0		0
Total Liabilities		6.067	909	303
Fund balances:		·		
Unreserved and undesignated		1.828	38.509	12,137
Officserved and undesignated		1,020		12,131
Total fund balance		1,828	38,509	12.137
TOTAL LIABILITIES AND FUND BALANCES	<u>\$</u>	7,895 \$	39,418 \$	12,440

Exhibit 4

FIRE

	DISTRICT #2				
SE	CTION 8 MAI	NTENANCE_	TOTAL		
\$	14,893 \$	25,136 \$	61,912		
	0	19,374	55,311		
	0	4,088	6,021		
	14,893	48,598	123,244		
	0	1,029	8,308		
	14.777	O	14,777		
	14,777	1,029	23,085		
	116	47,569	100,159		
	116	47,569	100,159		
\$	14,893 \$	48,598 \$	123,244		

NONMAJOR SPECIAL REVENUE FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended December 31, 2009

	CRIMINAL COURT	LARTO- MAYNA RECREATION	MAITLAND RECREATION
REVENUES			
Local sources: Taxes:			
Ad valorem	\$ 0	\$ 25,515	\$ 7,472
Intergovernmental revenues:	•	20,010	Ψ 1,412
State funds:	,		
State revenue sharing (net)	0	629	653
State aid grants	0	0	. 0
Feferal funds - federal grants	0	ō	0
Fines and forfeitures	46,592	0	0
Miscellaneous revenues	6,333	0	0
Use of money and property	0	132	0
Total Revenues	52.925	26,276	8,125
EXPENDITURES			,
Current:			
General government:			
Judicial	216,853	0	0
Public safety	0	0	,O
Culture and recreation	0	22,538	4,065
Economic development and assistance	0	0	0
Capital outlay	0	0	0
Total Expenditures	216.853	22,538	4.065
EXCESS (Deficiency) OF REVENUES			
OVER EXPENDITURES	(163,928)	3,738	4,060
OTHER FINANCING SOURCES (USES)			
Transfers in	156,000	0	0
Transfers out	0	(1.000)	0
Total Other Financing Sources (Uses)	156.000	(1,000)	0
Net Change in Fund Balances	(7,928)	2,738	4,060
FUND BALANCES - BEGINNING	9,756	35.771_	8.077
FUND BALANCES - ENDING	\$ 1,828	\$ 38.509	\$ 12,137

FIRE DISTRICT #2					
SEC	TION 8 MA	AINTENANCE_	TOTAL		
\$	0 \$	22,514 \$	55,501		
	0	825	2,107		
	0	3,325	3,325		
	180,607	0	180,607		
	0	0	46,592		
	0	13,000	19,333		
	0	187	319		
	180.607	39.851	307.784		
	0	0	216,853		
	0	38,546	38,546		
	0	0	26,603		
	180,607	0	180,607		
	0	13.000	13,000		
	180,607	51.546	475,609		
	0	(11.695)	(167.825)		
	0	0	156,000		
	0	(1,000)	(2,000)		
	0	(1,000)	154,000		
	0	(12,695)	(13,825)		
•	116	60.264	113,984		
\$	116 \$	47.569 \$	100.159		

Catahoula Parish Police Jury

NON-MAJOR DEBT SERVICE FUNDS

HOSPITAL DISTRICT NO. 1 BOND SINKING FUND

The Hospital District #1 Bond Sinking Fund accumulated monies for the payment of \$800,000 in bonds issued April 1, 1967. The bonds were issued to construct, equip, and furnish a parish hospital. Financing was provided by ad valorem taxes.

FIRE DISTRICT NO. 2 BOND SINKING FUND

The Fire District #2 Bond Sinking Fund accumulated monies for the payment of \$250,000 in bonds issued March 1, 1987. The bonds were issued to acquire buildings, machinery, and equipment, including both real and personal property, to be used for fire protection within the district.

CERTIFICATE OF INDEBTEDNESS SERIES 2008

The Certificate of Indebtedness Series 2008 Fund accumulates monies for the payment of \$500,000 in bonds issued September 12, 2008. The certificate on indebtedness was issued to fund the Criminal Court Fund as required by law. Funds are transferred from the General Fund to pay principal and interest payments each year.

NONMAJOR DEBT SERVICE FUNDS Combining Balance Sheet December 31, 2009

	HOSPITAL DISTRICT NO. 1 BOND SINKING	FIRE DISTRICT NO. 2 BOND SINKING	CERTIFICATE OF INDEBTEDNESS SERIES 08	Exhibit 6
ASSETS:				
Cash and cash equivalents	\$ 5.443 \$	3,732	\$ 47 \$	9.222
TOTAL ASSETS	5.443	3,732	47	9.222
LIABILITIES AND FUND BALANCES Liabilities:				
Accounts, salaries and other payables	<u>0</u>	0		0
Total Liabilities	0	0	0	0
Fund balances:	•			
Unreserved and undesignated	5.443	3,732	47	9,222
Total fund balance	5.443	3,732	47	9.222
TOTAL LIABILITIES AND FUND BALANCI	\$ 5,443 \$	3.732	\$ 47 \$	9,222

NONMAJOR DEBT SERVICE FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended December 31, 2009

	Di	SPITAL STRICT NO. 1 BOND INKING	FIRE DISTRICT NO. 2 BOND SINKING	CERTIFICATE OF INDEBTEDNESS SERIES 08	Exhibit 7
REVENUES					
Local sources:				4	
Taxes:					
Ad valorem	\$	0 \$		\$ 0	•
Use of money and property		0	0	O	0
Total Revenues		Q	0	0	0
EXPENDITURES					
Current:					
Debt service:					
Principal retirement		0	0	71,000	71,000
Interest payment		0	0	27,203	27,203
Total Expenditures		<u> </u>	0	98,203	98,203
EXCESS (Deficiency) OF REVENUES					
OVER EXPENDITURES		0	<u> </u>	(98,203)	(98,203)
OTHER FINANCING SOURCES (USES) Transfers in		0	0	98,250	98,250
Hansisie H		<u></u>	<u>V</u>	50.230	98,250
Total Other Financing Sources (Uses)		<u> </u>	0	98,250	98,250
Net Changes in Fund Balance	•	0	0	47	47
FUND BALANCES - BEGINNING		5,443	3.732	0	9,175
FUND BALANCES - ENDING	\$	<u>5,443</u> \$	3,732	\$47	\$ 9,222

AGENCY FUNDS Statement of Changes in Fiduciary Assets and Liabilities For the Year Ended December 31, 2009

·	Balance, Beginning	Additions	<u>Deductions</u>	Balance, Ending
	·	*****SALES TAX CO	OLLECTIONS****	
ASSETS Cash and cash equivalents	\$ 0	\$ 1,825,961	<u>\$ 1.688.602</u>	\$ 137,359
	0	1.825,961	1,688,602	137,359
LIABILITIES Deposits due others	0	1.825,961	1.688.602	137,359
	0	1.825,961	1.688,602	137,359
	植物养养的	OCCUPATIONAL TA	AX COLLECTIONS**	ide#
ASSETS Cash and cash equivalents	0	93.123	93.123	0
	0	93,123	93,123	0
LIABILITIES Deposits due others	0	93,123	93,123	0
	0	93.123	93,123	0
		**************************************	AL******	
ASSETS Cash and cash equivalents	0	1,919,084	1.781.725	137,359
	0	1,919,084	1,781,725	137,359
LIABILITIES Deposits due others	0	1,919,084	1.781,725	137,359
,	<u>\$0</u>	\$ 1,919,084	\$ 1,781,725	\$ 137,359

SALES TAX COLLECTION FUND Schedule of Changes in Deposits Due Others For the Year Ended December 31, 2009

DEPOSIT BALANCE AT BEGINNING OF YEAR	\$0
ADDITIONS	
Sales tax collections	1,825,961
DEDUCTIONS	
Payments to:	
The Town of Jonesville	195,469
The Village of Harrisonburg	39,237
Town of Sicily Island	56,418
Catahoula Parish Police Jury	·
Hard Surface Fund	748,602
Sanitation Fund	467,876
Road & Bridge Fund	155,959
Concordia PSB (collection fee)	25.041
Total deductions	1.688,602
DEPOSIT BALANCE AT END OF YEAR	\$ 137,359

OCCUPATIONAL TAX COLLECTION FUND Schedule of Changes in Deposits Due Others For the Year Ended December 31, 2009

DEPOSIT BALANCE AT BEGINNING OF YEAR	<u>\$0</u>
ADDITIONS Occupational tax collections	93,123
DEDUCTIONS	•
Payments to:	
Concordia PSB (collection fee)	4,834
Catahoula Parish Police Jury - General Fund	88,289
Total deductions	93.123
DEPOSIT BALANCE AT END OF YEAR	\$ 0

Catahoula Parish Police Jury

GENERAL

Exhibit 11

Schedule of Paid Police Jurors For the Year Ended December 31, 2009

COMPENSATION PAID POLICE JURORS The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the general fund. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the president receives \$700 per month and the other jurors receive \$600 per month.

Libby Ford, President	\$ 8,261
Billy D. Fletcher	7,200
Albert E. Patten	7,200
Garry Wright	7,200
J. D. Alexander	7,200
Delores McEntyre	7,200
Joe Barber	7,200
Benny Vault	7,200
Jackie Paulk	<u>7.339</u>
•	\$66,000

Catahoula Parish Police Jury

Other reports required by Government Auditing Standards and OMB Circular A-133

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> Aimee Buchanan, CPA Rachel Davis, CPA Diane Ferschoff, CPA Joshua Legg, CPA Quint Martin, CPA Brian McBride, CPA Jaunicia Mercer, CPA Cindy Thomason, CPA Angie Williamson, CPA

> > Ernest L. Allen, CPA

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>

Police Jurors Catahoula Parish Police Jury Harrisonburg, Louisiana

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit of Fire District #1 Maintenance, each major fund and the aggregate remaining fund information of Catahoula Parish Police Jury, as of and for the year ended December 31, 2009, which collectively comprise the Police Jury's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 30, 2010. We issued an adverse opinion on the reporting entity for the omission of the aggregate discretely presented component units and an unqualified opinion on the governmental activities, the aggregate discretely presented component unit of Fire District #1 Maintenance, each major fund, and the aggregate remaining fund information of the primary government. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Police Jury's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain a deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency, 09-F1, described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies, 09-F1, 09-F2, 09-F3, 09-F4, 09-F5, described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed five instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. These are listed as items 09-F3, 09-F4, 09-F6, 09-F7, and 09-F8 in the Schedule of Findings and Questioned Costs.

The Police Jury's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. We did not audit the Police Jury's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Police Jurors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

allen, Green & Williamson, LLP

Monroe, Louisiana June 30, 2010

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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Police Jurors Catahoula Parish Police Jury Harrisonburg, Louisiana

Compliance

We have audited the compliance of the Catahoula Parish Police Jury with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The Police Jury's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Police Jury's management. Our responsibility is to express an opinion on the Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Police Jury's compliance with those requirements.

As described in items 09-F9, 09-F10, 09-F11, and 09-F12 in the accompanying Schedule of Findings and Questioned Costs, the Police Jury did not comply with requirements regarding Equipment and Real Property Management, Procurement and Suspension and Debarment, and Cash Management that are applicable to its Homeland Security Grant Program. As described in item 09-F13 in the accompanying Schedule of Findings and Questioned Costs, the Police Jury did not comply with requirements regarding Subrecipient Monitoring that are applicable to its Section 8 Housing Choice Vouchers Program. Compliance with such requirements is necessary, in our opinion, for the Police Jury to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Police Jury's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not designed to identify all deficiencies in the Police Jury's internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 09-F9, 09-F10, 09-F11, 09-F12, and 09-F13 to be material weaknesses.

The Police Jury's response to the finding identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. We did not audit the Police Jury's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Police Jurors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen Sheen & Williamson, SCP ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana June 30, 2010

Cataboula Parish Police Jury Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2009

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through Grantor No.	Expenditures				
CASH FEDERAL AWARDS							
United States Department of Housing and Urban Development							
Direct Programs:							
Section 8 Housing Choice Voucher Program	14.871						
		LA242AF	\$	180,607			
Total United States Department of Housing and Urban							
Development	•			180,607			
United States Department of Commerce							
Passed Through the Governor's Office of Homeland Security and	1						
Emergency Preparedness:	•						
Public Safety Interoperable Communication Grant	11.555	2007-GS-H7-0014		35,046			
Department of Homeland Security							
Passed Through the Governor's Office of Homeland Security and	l						
Emergency Preparedness:							
FEMA-Disaster Grant	97.036	Unknown		62,459			
Planning Pilot Grant Program	97.039	HMGP 1607-025-0001		97,823			
Homeland Security Grant Program	97.067	2008-EM-E8-0047		2,756			
•		2009-EP-E9-0004		6,539			
		2005-GE-T5-0004		46,547			
		2006-GE-T6-0069		96,774			
	•	2007-GE-T7-0069		57,424			
Total Homeland Security Grant Program		•		210,040			
Total Department of Homeland Security				370,322			
TOTAL FEDERAL AWARDS			\$	585,975			

Catahoula Parish Police Jury Notes to the Federal Awards For the Year Ended December 31, 2009

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Catahoula Parish Police Jury, Harrisonburg, Louisiana. The Catahoula Parish Police Jury (the "Police Jury") primary government of the reporting entity is defined in Note 1 to the Police Jury's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Police Jury's fund financial statements as follows:

Major funds:	
General	\$ 347,041
Road and Bridge	11,996
Hard Surfacing	36,763
Sanitation	9,568
Non-Major Funds:	
Section 8	180,607_
Federal grants	\$ 585,975

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES AND STATE FUNDING

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Catahoula Police Jury provide federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipient
14.871	Section 8 Housing Choice Voucher Program	\$180,607

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the reporting entity because of the omission of all aggregate discretely presented component units and an unqualified opinion on the governmental activities, each major fund, and the aggregate remaining fund information of the primary government.
- ii. There were five significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. One significant deficiency was not considered to be material weaknesses.
- iii. There were five instances of noncompliance that were considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were five significant deficiencies required to be disclosed by OMB Circular A-133. All significant deficiencies were considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was qualified.
- vi. The audit disclosed five audit finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

Homeland Security Grant Program
Section 8 Housing Choice Vouchers (Monitoring)

CFDA #97.067 CFDA #14.871

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

Reference # and title:

09-F1

Internal Controls over Accounting

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Good internal controls also require that bank reconciliations be performed timely, to ensure that unexplained differences are discovered and resolved quickly. Bank reconciliation should be signed, dated and reviewed for accuracy. Additionally, information used to develop accounting records should be readily available for review and should mirror the accounting records. Periodic reviews should be performed to ensure that all transactions relating to the fiscal year have been recorded in the correct accounts and entered in the correct amount, Good internal controls over payroll records require that employees are being paid through the payroll system, and any applicable taxes owed by the employee/employer are submitted to the IRS (Internal Revenue Service). In order for internal controls to be effective, policies and procedures should be created and approved by the Police Jury, to handle everyday occurrences over the ordinary course of business. Furthermore, critical information should be identified and backup on a daily basis. This backup should be protected from the elements as so that the information can be used if needed.

Condition found: During the test of bank reconciliations, it was determined that not all bank reconciliations are being completed. Of the bank reconciliation completed, no one signs off stating who has completed the reconciliations and some of them are not dated.

Through communication with management concerning W-2's it was noted, that the Police Jury is issuing manual W-2's to some employees. Some of these employees' salaries are being reimbursed by the state; however, the Police Jury is issuing their paychecks as a vendor check and not a payroll check. Because, they are issuing payroll checks as vendor checks, the employee and employer are not paying social security or medicare taxes as required by the IRS. Additionally, the total of W2's do not agree with the total of 941 Reports submitted to the IRS.

Through review and discussion with management, it was noted that the Police Jury does not have a formal travel policy, investment policy, credit card policy, information systems policy as well as a contingency and recovery policy approved by the Police Jury.

Through testing of manual journal entries, the following exceptions were noted:

- No one is approving the journal entries being posted to the accounting system for accuracy.
- Eleven of the eighteen manual journal entries tested were not recorded at the gross amount by the Police Jury. These journal entries were to record collection of Ad Valorem and sales tax received by an outside entity, but did not include amounts subtracted from the total taxes collected.

During the audit, the auditor had to make several material audit adjustments to record and/or correct transactions that occurred during the course of business throughout the fiscal year for the Police Jury.

Through testing of internal controls over information systems, it was noted the back up's are performed however; they are not kept off site or placed in a fireproof container to be protected from any elements that could destroy them.

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

Through discussion with management, it was noted that the Police Jury does not perform an inventory of fuel at year end. Fuel purchases are expensed when purchased, consumption is tracked daily, but determination of ending value is nonexistent.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls over accounting are weakened.

Recommendations to prevent future occurrences: Management should implement procedures to ensure bank reconciliations are performed within a reasonable time after receiving the bank statement, which is normally the following month. Bank reconciliations should be performed on all bank accounts, dated and signed by the preparer. All employees' paychecks should be processed through the payroll system. Required payroll taxes should be submitted for both the employee and employer's portion to the Internal Revenue Service. Policies should be designed and implemented to help ensure everyday transactions are followed in accordance with the policies and procedures set forth by the Police Jury. Procedures should be developed to ensure accuracy of journal entries posted by management. Furthermore, back up's to critical information should be store off site or within a fireproof safe to ensure the Police Jury will have the information necessary if something were to happen in the future. Procedures should be established to ensure controls over fuel consumption are working effectively.

Reference # and title: 09-F2 Controls over Disbursements

Entity-wide or program/department specific: This finding is entity wide.

<u>Criteria or specific requirement</u>: Proper internal controls over vendor disbursements ensure that expenditures are properly approved, recorded and the custody of asset is released to the Police Jury. Documentation should be kept in order to vouch the expenditure's existence. Payments should be issued to vendors within a timely manner as good business etiquette and to avoid late payment penalties. Good internal controls over payroll disbursements require proper documentation be included in the payroll records to ascertain an employee's employability status. Required payroll taxes should be withheld from all employees within the Police Jury. These taxes should then be remitted to the IRS, for both the employers and employees' portion. Policies and procedures approved by the Police Jury should be executed within those guidelines set forth by the Juror's.

Condition found: In testing forty-seven vendor disbursement checks, the following exceptions were noted:

- · One exception in which a purchase order was dated after the purchase took place.
- Two exceptions where proper approval was missing prior to payment of the invoice.
- Three exceptions in which the charges did not appear to be necessary and reasonable.
- Three exceptions where the check amount was not posted to the correct general ledger account.
- Three exceptions in which there was no supporting documentation for the expenditure.
- · Seventeen exceptions where the invoice was paid untimely. (Within 30 days from the date of the invoice,)
- Five exceptions in which proper documentation could not be located by the Police Jury to determine if the bid law requirements were met.

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

Four exceptions where the transaction was not properly recorded.

In testing twenty-five payroll disbursement checks the following exceptions were noted:

- Twenty-five exceptions where proof of existence could not be determined. I-9's could not be located within the personnel files.
- Two exceptions in which payroll was not processed correctly through the payroll system. The employee's
 payroll check was issued as a vendor check and the employee received a W-2 at the end of the calendar year.
 The employee and Police Jury were not paying the required employer/employee taxes as required by the
 Internal Revenue Service.

In testing thirteen travel expenditure checks, two exceptions were noted. One exception was where a guest registration was paid for a conference and unable to determine if the Police Jury was reimbursed. The other exception was that no receipt could be located to determine the existence of the reimbursement.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls over disbursements are weakened.

Recommendations to prevent future occurrences: Management should establish procedures to ensure that expenditures are properly approved, recorded, and supporting documentation is readily available. All future vendor payments should be paid in a timely manner. The Police Jury should have proper documentation for all employees to verify the ability to be employed by the Police Jury. All employees' paychecks should be processed through the payroll system. Required payroll taxes should be submitted for both the employee and employer to the Internal Revenue Service. Management should adhere to the policies and procedures approved by the Police Jury for transactions that occur in the ordinary course of business.

Reference # and title: 09-F3 Capital Assets

Entity-wide or program/department specific: This finding is entity wide.

<u>Criteria or specific requirement</u>: In accordance with LSA-RS 24:515 (b) (1), the head of every auditee subject to audit shall maintain records of all land, buildings, improvements other than buildings, equipment and any other general fixed assets which were purchased or otherwise acquired and for which such entity is accountable. Internal control requires a complete and adequate listing that is updated on a timely basis and capital assets are inventoried to determine existence yearly.

Condition found: Through testing of capital assets and communication with management, it was noted that capital assets are not recorded properly. Assets are recorded on the listing at incorrect costs and purchases are not being properly recorded to the capital outlay expense accounts. Several roads were added to the listing without consideration of incurred costs of other materials. Roofs that were replaced, a large road construction project, and several smaller assets were not recorded on the capital asset listing.

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

It was also noted, that capital assets are not always tagged to show they belong to the Police Jury, nor are the capital assets inventoried each year to determine if the Police Jury is still utilizing the asset. Additionally, not all vehicles contained the Jury's logo.

Through testing of deletions, it was noted that no documentation could be located to show approval of the disposal of capital assets.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls over capital assets are weakened.

Recommendations to prevent future occurrences: The Police Jury should establish procedures to ensure that all assets purchased are properly added to the capital asset listing and inventoried yearly. The Police Jury should also review all general ledger accounts to ensure capital asset purchases are recorded properly and deletions have proper documentation.

Reference # and title: 09-F4 Capital Improvement Program

Entity-wide or program/department specific: This finding is specific to the Road and Maintenance Department.

<u>Criteria or specific requirement</u>: State Law requires that a priority ranking system be implemented on capital improvements of roads to ensure that the most critical needs of the parish are met first. A listing is required to be maintained showing these priorities and changes made periodically to update the listing as needed.

Condition found: Through discussion with management it was noted that the Police Jury allocates funding to each district, to be used to blacktop a one-mile surface of the road each year. The juror for that district has the option to have their road laid with blacktop. If they choose to blacktop a one-mile stretch of their ward's road, the road is added to the Capital Improvement Program. However, if the road is improved through a new layer of rocks, that road is not added to the listing. The roads under the Capital Improvement Program are not based on the needs of the Parish, but the choice of the Police Juror's. Additionally the Police Jury does not prioritize the gravel roads on a needs basis for the Parish as a whole.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury is not in adherence with the State of Louisiana rules and regulations for the Capital Improvement Program.

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

Recommendations to prevent future occurrences: Management should implement procedures to ensure that roads added to the Capital Improvement Program are based on the needs of the Parish. A listing should be created showing the roads in despair of improvements around the Parish. This listing should be updated as need. The Police Jury should then select roads for the Capital Improvement Program from the top of the listing.

Reference # and title: 09-F5 Internal Controls over Library Receipts

Entity-wide or program/department specific: This finding relates specifically to the Library.

<u>Criteria or specific requirement</u>: Proper internal controls require that adequate documentation should be retained for all funds collected and receipts should be issued for cash monies collected. Deposits should be made timely, within three business days from the receipt of funds. Consistency should be taken into consideration when charges are necessary for late returns on library materials.

<u>Condition found</u>: Through discussion with management, it was noted that monies collected at each library are recorded, but after deposits are made, the documentation is discarded. Receipts are not issued to customers who pay with cash monies. Funds received at the library are not deposited within three business days from the receipt of cash. In addition, fines are not collected for overdue library materials unless the patron decides to pay a fee and the payment is not standard.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls are weakened over receipts, deposits and late fees within the library.

Recommendations to prevent future occurrences: Management should implement policies and procedures to ensure that all documentation is retained showing collections each day and receipts should be issued to customers. The library should deposits funds collected within three business days from the date of receipt. The library has an approved fine schedule of charges to be assessed, but should implement procedures to ensure that fees are being charged uniformly to all customers.

Reference # and title: 09-F6 Donations of Public Funds

Entity-wide or program/department specific: This finding is entity wide.

<u>Criteria or specific requirement</u>: According to Article 7, Section 14 of the Louisiana Constitution, "... any political subdivision shall not loan, pledge, or donate to or for any person, association, or corporation, public or private, any funds or items of value."

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

<u>Condition found</u>: In reviewing the board minutes, it was noted that the Police Jury allowed an outside not-for-profit agency to use a piece of equipment owned by the Police Jury. Furthermore, the Police Jury paid an employee to work at the not-for-profit agency to use the equipment at that particular location using public funds.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury is in violation of Article 7, Section 14 of the Louisiana Constitution that prohibits donation of public funds

<u>Recommendations to prevent future occurrences</u>: Management should establish procedures to ensure that they are adhering to the Louisiana Constitution Article 7, Section 14.

Reference # and title: 09-F7 Violation of the Public Bid Law

Entity-Wide or program /department specific: This finding relates to the Homeland Security Grant Program.

<u>Criteria or specific requirement</u>: The Louisiana State Bid Law R.S. 38:2212.1 reads in part, "all purchases of materials and supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder". However, this threshold was increased to thirty thousand in August 2009.

<u>Condition found</u>: In testing bids, it was noted that the Police Jury purchased several Motorola radios with federal grant funds and stated that they were purchased under state contract. However, the Police Jury was unable to provide documentation on the state contract numbers to determine that all applicable bid laws were followed.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury may not have met the requirements of the Louisiana State Bid Law.

<u>Recommendations to prevent future occurrences</u>: The Police Jury should establish procedures to ensure all requirements of the bid law are followed for future purchases and documentation is retained.

Reference # and title: 09-F8 Budget Violation

Entity-Wide or program /department specific: This finding is entity wide.

<u>Criteria or specific requirement</u>: Louisiana Revised Statute 39:1310 states "...if there has been a change in operations upon which the original adopted budget was developed, the governing authority shall adopt a budget amendment in an open meeting to reflect such change."

PART II - Findings related to the financial statements which are required to be reported in accordance with government Auditing Standards generally accepted in the United States of America:

<u>Condition found</u>: In review of the financial statements, it was noted that the total expenditures at fiscal year-end had more than a 5% variance between budgeted and actual expenditures.

Possible asserted effect (cause and effect):

Cause: Police Jury did not consider all expenditures recorded with the funds.

<u>Effect</u>: The Police Jury had an unfavorable budget variance greater than 5% in the General Fund, the Health Unit Fund and the Road and Bridge Fund.

<u>Recommendations to prevent future occurrences</u>: Management should establish procedures to ensure that all revenues and expenditures are properly reflected in the budget.

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section 510(a):

Reference # and title: 09-F9 Internal Controls over Homeland Security Grant Program

Federal program and specific Federal award identification: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's office of Homeland Security and Emergency Preparedness.

Criteria or specific requirement: The Financial Management Guide on Preparedness Directorate prepared by the U.S. Department of Homeland Security states in part under commingling funds "...accounting systems of all recipients and sub-recipients must ensure that agency funds are not comingled with funds from other awards or Federal agencies...." In addition, under managing federal funds it states in part "All recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them..." The Code of Federal Regulations (CFR) 180.300 states in part that "applicants are not presently debarred, suspended, declared ineligible or excluded by any Federal department..."

<u>Condition found</u>: Through review of the financial records, it was noted that the Homeland Security Grant Program accounting records are not in a separate fund. The accounting records are being recorded with the Police Jury's general fund.

Through discussion with management, it was noted that documentation could not be provided on certain applications, financial reports, and procurements made during the fiscal year for the Homeland Security Grant. In addition, no one is performing a suspension and debarment verification on vendors who are receiving federal funding to determine if they are eligible to receive federal funds.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls over Homeland Security Grant Program are weakened.

<u>Recommendations to prevent future occurrences</u>: The Police Jury should establish procedures to ensure requirements and regulations established by the U.S. Department of Homeland Security are being met.

Reference # and title: 09-F10 Capital Assets

<u>Federal program and specific Federal award identification</u>: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's office of Homeland Security and Emergency Preparedness.

<u>Criteria or specific requirement</u>: The Code of Federal Regulations (CFR) 215.34 (f) (1) states in part that "Equipment records should be maintained accurately they shall include...a description, serial number or other identification number, source of the equipment, acquisition date and location of the equipment..." In addition, CFR

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section 510(a):

215.34 (f) (3) states in part that "A physical inventory of equipment shall be taken and reconciled with the equipment records at least once every two years..."

<u>Condition found</u>: During discussion with management it was noted that a listing is not utilized showing a description of the asset and where that asset is located. Capital assets purchased with federal funds are not being tagged to show possession of the grant or federal agency. Agency vehicles were not noted with decals. Furthermore, capital assets purchased with federal dollars are not being inspected at least every other year.

During review of repairs and maintenance accounts, it was noted that several assets exceeding the capitalization threshold were not being capitalized and depreciated over their useful life.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury did not meet federal regulations regarding asset management.

<u>Recommendations to prevent future occurrences</u>: The Police Jury should establish procedures to ensure the Code of Federal Regulations regarding capital assets are followed.

Reference # and title: 09-F11 Violation of the Federal Bid Requirements

Federal program and specific Federal award identification: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's office of Homeland Security and Emergency Preparedness.

<u>Criteria or specific requirement</u>: The Code of Federal Regulations (CFR) 215.43 states in part that "all procurements transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition".

<u>Condition found</u>: In testing bids, it was noted that the Police Jury purchased several Motorola radios with federal grant funds and stated that they were purchased under state contract. However, the Police Jury was unable to provide documentation on the state contract numbers to determine that all applicable regulations were followed.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury did not meet CFR 215.43 regulations regarding bids.

<u>Recommendations to prevent future occurrences</u>: The Police Jury should establish procedures to ensure the Code of Federal Regulations regarding procurements made with federal funds are followed.

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section 510(a):

Reference # and title:

09-F12

Cash Management

Federal program and specific Federal award identification: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's office of Homeland Security and Emergency Preparedness.

<u>Criteria or specific requirement</u>: Proper controls over cash management require that documentation for requests of advance funds be retained, in order to determine the existence of the request and test to determine the federal guidelines for cash management have been met.

<u>Condition found</u>: In testing nine requests for advancement of funds, it was noted that the Police Jury could not provide documentation on four of the requests. Due to not having the original documentation for request of advance funds, it could not be determined if the Police Jury requested payment more than one-hundred and twenty days before actual invoice payment.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury may not have met the federal regulations regarding cash management.

Recommendations to prevent future occurrences: Management should establish procedures to ensure that adequate documentation is retained on file for request to federal grants.

Reference # and title:

09-F13

Sub-recipient Monitoring

<u>Federal program and specific Federal award identification</u>: This finding relates to the Section 8 HCV (Housing Choice Vouchers), CFDA#14.871, for the federal award year 2009 received from Federal Agency: U. S. Department of Housing and Urban Development.

<u>Criteria or specific requirement</u>: According to 2CFR 215.51 in the Code of Federal Regulations recipients are responsible for managing and monitoring each project program in which they pass through federal awards to all subawards to ensure sub-recipients have met the audit requirements.

Condition found: Through testing and discussion with management, it was noted that the Police Jury passed the Section 8 program to another entity. However, the Police Jury does not complete any monitoring procedures of the program or operations of the program to ensure the pass through entity is following the audit requirements of the Section 8 HCV program.

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section 510(a):

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

<u>Effect</u>: The Police Jury did not meet the federal regulations to ensure the Section 8 HCV is operating within the federal compliance guidelines of the program.

Recommendations to prevent future occurrences: The Police Jury should establish a procedure to monitor the compliance of Section 8 HCV program. This includes verifying accuracy of tenant files for eligibility determination, payment standards are within guidelines, inspections are completed accurately based on program determination and required monthly VMS (Voucher Management System) and SEMAP (Section Eight Management Assessment Program) reports submitted to HUD are reported correctly.

Catahoula Parish Police Jury

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular A-133. This information has been prepared by the management of the Catahoula Parish Police Jury. Management accepts full responsibility, as required by OMB Circular A-133, for the accuracy of the information. This information has not been audited by the auditors except as required by OMB Circular A-133 Section 500(e), and accordingly, no opinion is expressed. Section 500(e) requires the auditor to follow-up on prior audit findings; perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

Reference # and title: 08-F1 Need To Comply With Louisiana Local Government Budget Act

Origination date: This finding originated in fiscal year ended December 31, 2006.

Condition: The police jury did not comply with the Local Government Budget Act. LSA-R.S. 39:1305 requires that a budget be prepared for the general fund and each special revenue fund, and that the adoption instrument "shall be an appropriation ordinance, adoption resolution, or other legal instrument". LAS-R.S. 39:1310-1311 requires, among other things, that the police jury amend an individual funds' budget when actual revenues and other sources to date plus projected amounts to year-end and are failing to meet budgeted amounts by five percent or more and/or when actual expenditures and other uses to date plus projected amounts to year-end are exceeding budgeted amounts by five percent or more. The General fund actual expenditures and other uses exceeded budgeted amounts by approximately 5%. The Hard Surface fund actual expenditures exceeded budgeted amounts by approximately 11%. Maitland Recreation District fund actual expenditures exceeded budgeted amounts by approximately 87%. Fire District No. 1 fund actual expenditures exceeded budgeted amounts by approximately 87%. Fire District No. 1 fund actual expenditures exceeded budgeted amounts by approximately 87%. The Sanitation fund budgeted revenues exceeded actual revenues by approximately 11%. The Criminal Court fund budgeted revenues exceeded actual revenues by approximately 60%.

Corrective action planned: See current year finding 09-F8.

Reference # and title: 08-F2 Louisiana Legislative Auditor

Origination date: This finding originated in fiscal year ended December 31, 2008.

<u>Condition</u>: On July 16, 2008, the Louisiana Legislative Auditor issues an advisory service report on dedicated tax revenues being spent for other than their dedicated purposed, which is available from the Louisiana Legislative Auditor's Office as a public document. The following is a summary of what the Louisiana Legislative Auditor found.

Financial Management – They found certain deficiencies in the financial management of the Police Jury's operations, which include compliance legal issues involving the General Fund and special revenue funds.

Monthly Financial Statements and Budget Comparisons — The Police Jury does not review monthly financial statements and budget-to-actual comparisons of the parish funds that it administers.

Dedicated Tax Revenues - The Police Jury spent dedicated tax revenues for other than their dedicated/intended purposes.

General Fund

Need Plan to Repay Dedicated Tax Revenues - No formal plan to repay "borrowed" funds from the special revenue funds.

Record Borrowing and Expenditures in General fund – The financial statements does not reflect the borrowing or the expenditures of borrowed monies.

Need Plan for Spending Cuts – The recordation of the borrowed funds will deteriorate the financial condition of the General Fund and the implementation of a repayment plan will put a strain on the available resources of the General Fund.

Budget Process

Determine Available revenues of General Fund and Criminal Court Fund — Since State laws provide that the Police Jury has the duty to fund the operations of the district attorney and criminal court, the Police Jury must consider how it will satisfy that legal obligation with revenues of its General Fund and with fine revenues deposited into the Criminal Court Fund.

Need Annual Budgets From District Attorney and District Judges – Communications and cooperation among the Police Jury, district attorney, and judges is vital to developing and agreeable funding strategy.

Need to Fully Comply With Local Government Budget Act — The 2008 budgets for the General fund and Criminal Court Fund (and other special revenues funds) did not fully comply with the Local Government Budget Act.

Criminal Court Fund – Documentation of expenses of the Criminal Court Fund did not always include the approvals of both the district attorney and district judge as required by law.

Parish Road Program

Capital Improvement Plan Not Prioritized - The Police Jury's three year capital improvement plan does not prioritize the road projects based on parishwide needs as required by state law.

Work Done on Private Driveway – The Police Jury may have violated Louisiana's Constitution and State law by using Police Jury employees and equipment to put Police Jury materials on private property.

Cover Material for Culverts — The Police Jury may have violated Louisiana's Constitution and state law by providing cover material for culverts installed in road side ditches.

Work Done on Village Roads – The Police Jury may have violated Louisiana's Constitution and state law by donating the service of its employees and the use of its equipment and materials to the villages of Harrisonburg and Sicily Island.

Need Approvals and Complete Records on Selective Maintenance Work — Selective maintenance work has not always been approved by the Police Jury and the work has not always been documented.

Gasoline and Diesel – The Police Jury is not exercising adequate control over the three fuel pumps located at the maintenance yard.

Written Policies and Procedures - The Police Jury's written policies and procedures are not complete.

Organization Chart and Job Descriptions – The Police Jury does not have an organization chart that shows the lines of authority and responsibilities for all employees.

Computer - The Police Jury should improve its computerized accounting system and the security of its data by strengthening controls over computer planning, training, documentation, backup, and recovery.

Corrective action taken/planned:

Monthly financial statements and budget comparisons

This matter has been addressed by the Jury as of April 2008. The Treasurer presents the Jury at the first monthly meeting a statement of finances and a budget to actual receipts and expenditures, monthly and year to date. This report is presently being prepared manually, but the software vendor has been contacted and we are presently awaiting the vendor to install and train personnel on new budget preparation and reporting programs.

Dedicated tax revenues

Dedicated funds are not being used for other than dedicated purposed at this time. The intention of the Jury is to separate the General Fund and the Criminal Court Fund by establishing separate bank accounts for each of these funds. This is to be implemented at the beginning of the new year. (January 2009).

Plan to repay dedicated revenues

The Jury has received certificates of indebtedness to repay dedicated funds.

Record borrowing and expenditures in General Fund

The Police Jury's auditor prepared a revised audit to reflect changes needed to correctly identify borrowing expenditures in the General Fund.

Plan for spending cuts

The Finance Committee has worked on developing a plan for spending cuts and/or increasing revenues.

Budget Process

The Jury has revised our software to simplify and to ensure a more accurate and trackable budget. The Finance Committee, the Judge and District Attorney will be advised to be more involved in future budget preparations.

Criminal Court Fund

The Treasurer has been advised not to pay any Criminal Court expensed without the approval of both the District Judge and District Attorney.

Parish Road Program

This item has not been cleared. See current year finding 09-F4.

Work done on private property

Regarding work done on Powell Road, Ryan Road and the Girod Road, each of the roads mentioned are on the parish roster. I was not personally involved in the work done on the roads due to them not being in my district, nor was I on the Hardsurface Committee. I understand that footage as recorded in the Parish Road Roster may have been exceeded when road improvements were made. The road supervisor and Hardsurface supervisor in the future will verify footage to be repaired versus footage as recorded on the road roster and will not exceed road roster footage for any reason.

Culvert Installation

The Jury no longer installs culverts in parish road ditches. In the past, this may have been done in some cases to ensure proper drainage of parish roadways. The Jury will initiate a permit system whereas the Road supervisor will determine culvert size needed and depth to be installed to ensure proper drainage.

Selective maintenance work

The Jury does have a selective maintenance system in place and the Jury has always approved selective maintenance work. Future requests for selective maintenance will be reviewed by the Finance Committee for recommendations prior to being presented to the Jury for approval or disapproval.

Gasoline and diesel

New meters have been installed on all gasoline and diesel tanks at the parish maintenance yard. All pumps have new locks and keys are kept in the maintenance secretary's office. Drivers receiving fuel must recorded vehicle number, gallons pumped, odometer readings and signatures. A monthly fuel report will be implemented.

Written policies and procedures/organization chart and job description

This item is not fully cleared. See current year finding 09-F1.

Computer

The Secretary/Treasurer is presently communication with the software provider concerning changes in software configuration. The budget module and ban reconciliations functions will definitely be implemented. Other functions will be viewed by the Jury concerning need versus cost.

Reference # and title: 09-F1 Internal Controls over Accounting

Entity-wide or program/department specific: This finding is entity wide.

Condition: Good internal controls also require that bank reconciliations be performed timely, to ensure that unexplained differences are discovered and resolved quickly. Bank reconciliation should be signed, dated and reviewed for accuracy. Additionally, information used to develop accounting records should be readily available for review and should mirror the accounting records. Periodic reviews should be performed to ensure that all transactions relating to the fiscal year have been recorded in the correct accounts and entered in the correct amount. Good internal controls over payroll records require that employees are being paid through the payroll system, and any applicable taxes owed by the employee/employer are submitted to the IRS (Internal Revenue Service). In order for internal controls to be effective, policies and procedures should be created and approved by the Police Jury, to handle everyday occurrences over the ordinary course of business. Furthermore, critical information should be identified and backup on a daily basis. This backup should be protected from the elements as so that the information can be used if needed.

During the test of bank reconciliations, it was determined that not all bank reconciliations are being completed. Of the bank reconciliation completed, no one signs off stating who has completed the reconciliations and some of them are not dated.

Through communication with management concerning W-2's it was noted, that the Police Jury is issuing manual W-2's to some employees. Some of these employees' salaries are being reimbursed by the state; however, the Police Jury is issuing their paychecks as a vendor check and not a payroll check. Because, they are issuing payroll checks as vendor checks, the employee and employer are not paying social security or medicare taxes as required by the IRS. Additionally, the total of W2's do not agree with the total of 941 Reports submitted to the IRS.

Through review and discussion with management, it was noted that the Police Jury does not have a formal travel policy, investment policy, credit card policy, information systems policy as well as a contingency and recovery policy approved by the Police Jury.

Through testing of manual journal entries, the following exceptions were noted:

- No one is approving the journal entries being posted to the accounting system for accuracy.
- Eleven of the eighteen manual journal entries tested were not recorded at the gross amount by the Police Jury.
 These journal entries were to record collection of Ad Valorem and sales tax received by an outside entity, but did not include amounts subtracted from the total taxes collected.

During the audit, the auditor had to make several material audit adjustments to record and/or correct transactions that occurred during the course of business throughout the fiscal year for the Police Jury.

Through testing of internal controls over information systems, it was noted the back up's are performed however; they are not kept off site or placed in a fireproof container to be protected from any elements that could destroy them.

Through discussion with management, it was noted that the Police Jury does not perform an inventory of fuel at year end. Fuel purchases are expensed when purchased, consumption is tracked daily, but determination of ending value is nonexistent.

Corrective action planned: The Police Jury has begun signing and dating all reconciliations on the date the reconciliation is prepared. The Police Jury will ensure that bank reconciliations are prepared for all bank accounts. The Police Jury intends to pay all employees through the payroll system starting in January 2011 to ensure that all W2's issued agree with the 941 Reports submitted to the IRS. The Police Jury will formalize policies relating to travel, investments, credit card usage, information systems, and contingency and recovery plans and will have those policies properly approved by the Jury. The Police Jury president will begin reviewing and approving all manual journal entries prior to the entry being posted to the accounting system. The Secretary Treasurer will obtain training to ensure that she is able to make all material adjustments to the accounting system prior to the audit. The Police Jury is going to purchase a fire-proof safe to store all back-ups to ensure they are properly protected. The Police Jury will ensure that the fuel inventory is taken at the end of the year so that it can be properly recorded.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: December 31, 2010.

Reference # and title: 09-F2 Controls over Disbursements

Entity-wide or program/department specific: This finding is entity wide.

Condition: Proper internal controls over vendor disbursements ensure that expenditures are properly approved, recorded and the custody of asset is released to the Police Jury. Documentation should be kept in order to vouch the expenditure's existence. Payments should be issued to vendors within a timely manner as good business etiquette and to avoid late payment penalties. Good internal controls over payroll disbursements require proper documentation be included in the payroll records to ascertain an employee's employability status. Required payroll taxes should be withheld from all employees within the Police Jury. These taxes should then be remitted to the IRS, for both the employers and employees' portion. Policies and procedures approved by the Police Jury should be executed within those guidelines set forth by the Juror's.

In testing forty-seven vendor disbursement checks, the following exceptions were noted:

- One exception in which a purchase order was dated after the purchase took place.
- Two exceptions where proper approval was missing prior to payment of the invoice.
- · Three exceptions in which the charges did not appear to be necessary and reasonable.
- · Three exceptions where the check amount was not posted to the correct general ledger account.
- Three exceptions in which there was no supporting documentation for the expenditure.
- Seventeen exceptions were noted, where the invoice was paid untimely. (Within 30 days from the date of the invoice.)
- Five exceptions in which proper documentation could not be located by the Police Jury to determine if the bid law requirements were met.
- Four exceptions where the transaction was not properly recorded.

In testing twenty-five payroll disbursement checks the following exceptions were noted:

- Twenty-five exceptions, where proof of existence could not be determined. I-9's could not be located within the personnel files.
- Two exceptions, in which payroll was not processed correctly through the payroll system. The employee's
 payroll check was issued as a vendor check and the employee received a W-2 at the end of the calendar year.
 The employee and Police Jury were not paying the required employer/employee taxes as required by the
 Internal Revenue Service.

In testing thirteen travel expenditure checks, two exceptions were noted. One exception was where a guest registration was paid for a conference and unable to determine if the Police Jury was reimbursed. The other exception was that no receipt could be located to determine the existence of the reimbursement.

<u>Corrective action planned</u>: In regards to vendor disbursements the Police Jury will implement procedures to provide additional review to ensure proper documentation is retained, proper approval is obtained, and invoices are paid more timely. Also, the Police Jury is obtaining assistance in setting up all proper accounts in the accounting system to ensure all transactions are correctly posted. The Police Jury is obtaining I-9 forms for all employees to ensure proof of existence and the Police Jury will begin withholding all necessary taxes on employees. The Police Jury will adopt a new travel policy to ensure all travel is reimbursed correctly.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date:

Payroll Disbursements - January 2010. Vendor Disbursements - Immediately. Travel Disbursements - By December 31, 2010.

Reference # and title:

09-F3

Capital Assets

Entity-wide or program/department specific: This finding is entity wide.

<u>Condition</u>: In accordance with LSA-RS 24:515 (b) (1), the head of every auditee subject to audit shall maintain records of all land, buildings, improvements other than buildings, equipment and any other general fixed assets which were purchased or otherwise acquired and for which such entity is accountable. Internal control requires a complete and adequate listing that is updated on a timely basis and capital assets are inventoried to determine existence yearly.

Through testing of capital assets and communication with management, it was noted that capital assets are not recorded properly. Assets are recorded on the listing at incorrect costs and purchases are not being properly recorded to the capital outlay expense accounts. Several roads were added to the listing without consideration of incurred costs of other materials. Roof's that were replaced, a large road construction project and several smaller assets were not recorded on the capital asset listing.

It was also noted, that capital assets are not always tagged to show they belong to the Police Jury, nor are the capital assets inventoried each year to determine if the Police Jury is still utilizing the asset. Additionally, not all vehicles contained the Jury's logo.

Through testing of deletions, it was noted that no documentation could be located to show approval of the disposal of capital assets.

<u>Corrective action planned</u>: The Secretary Treasurer will more closely review invoices paid to ensure all capital assets identified are added to the listing and are added at the correct cost. The Secretary Treasurer will review the asset listing at year end and will ensure all Police Jury assets are properly tagged. The Police Jury will generate a standard deletion form and will have the Jury approve all deletions.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340

Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: December 31, 2010.

Reference # and title: 09-F4 Capital Improvement Program

Entity-wide or program/department specific: This finding is specific to the Road and Maintenance Department.

<u>Condition</u>: State Law requires that a priority ranking system be implemented on capital improvements of roads to ensure that the most critical needs of the parish are met first. A listing is required to be maintained showing these priorities and changes made periodically to update the listing as needed.

Through discussion with management, it was noted that the Police Jury allocates funding to each district, to be used to blacktop a one-mile surface of the road each year. The juror for that district has the option to have their road laid with blacktop. If they choose to blacktop a one-mile stretch of their ward's road, the road is added to the Capital Improvement Program. However, if the road is improved through a new layer of rocks, that road is not added to the listing. The roads under the Capital Improvement Program are not based on the needs of the Parish, but the choice of the Police Juror's. Additionally the Police Jury does not prioritize the gravel roads on a needs basis for the Parish as a whole.

<u>Corrective action planned</u>: The Police Jury will develop a Parish-Wide priority listing of roads. They will also maintain all necessary documentation to ensure that work was completed based on this priority listing and any changes made to the listing.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: December 31, 2010

Reference # and title: 09-F5

Internal Controls over Library Receipts

Entity-wide or program/department specific: This finding relates specifically to the Library.

<u>Condition</u>: Proper internal controls require that adequate documentation should be retained for all funds collected and receipts should be issued for cash monies collected. Deposits should be made timely, within three business days from the receipt of funds. Consistency should be taken into consideration when charges are necessary for late returns on library materials.

Through discussion with management, it was noted that monies collected at each library are recorded, but after deposits are made, the documentation is discarded. Receipts are not issued to customers who pay with cash monies. Funds received at the library are not deposited within three business days from the receipt of cash. In addition, fines are not collected for overdue library materials unless the patron decides to pay a fee and the payment is not standard.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

<u>Corrective action planned</u>: The Library has implemented procedures to retain original supporting documentation for collections. The Police Jury and Library Board are reviewing potential procedures to increase the timeliness of deposits. The Library Board has adopted a policy relating to the collection of fines.

Anticipated completion date: Immediately.

Reference # and title:

09-F6

Donations of Public Funds

Entity-wide or program/department specific: This finding is entity wide.

<u>Condition</u>: According to Article 7, Section 14 of the Louisiana Constitution, "...any political subdivision shall not loan, pledge, or donate to or for any person, association, or corporation, public or private, any funds or items of value."

In reviewing the board minutes, it was noted that the Police Jury allowed an outside not-for- profit agency to use a piece of equipment owned by the Police Jury. Furthermore, the Police Jury paid an employee to work at the not for profit agency to use the equipment at that particular location using public funds.

<u>Corrective action planned</u>: The Police Jury is now aware of the state law relating to donation of assets. They will not donate assets or services in the future. The use of equipment owned by the Police Jury by a Not-For-Profit has been repaid to the Police Jury.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340

Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: Immediately.

Reference # and title: 09-F7 Violation of the Public Bid Law

Entity-Wide or program /department specific: This finding relates to the Homeland Security Grant Program.

<u>Condition</u>: The Louisiana State Bid Law R.S. 38:2212.1 reads in part, "all purchases of materials and supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder". However, this threshold was increased to thirty thousand in August 2009.

In testing bids, it was noted that the Police Jury purchased several Motorola radios with federal grant funds and stated that they were purchased under state contract. However, the Police Jury was unable to provide documentation on the state contract numbers to determine that all applicable bid laws were followed.

<u>Corrective action planued</u>: The Police Jury is now documenting state contract numbers on all invoices for purchases made under those state contracts.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: Immediately.

Reference # and title: 09-F8 Budget Violation

Entity-Wide or program /department specific: This finding is entity wide.

<u>Condition</u>: Louisiana Revised Statute 39:1310 states "...if there has been a change in operations upon which the original adopted budget was developed, the governing authority shall adopt a budget amendment in an open meeting to reflect such change."

In review of the financial statements, it was noted that the total expenditures at fiscal year-end had more than a 5% variance between budgeted and actual expenditures.

<u>Corrective action planned</u>: The Police Jury will amend their budget to include all revenues and expenditures that apply to those funds.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340

Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: January 2011.

Reference # and title: 09-F9 Internal Controls over Homeland Security Grant Program

Federal program and specific Federal award identification: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's Office of Homeland Security and Emergency Preparedness.

Condition: The Financial Management Guide on Preparedness Directorate prepared by the U.S. Department of Homeland Security states in part under commingling funds "...accounting systems of all recipients and sub-recipients must ensure that agency funds are not comingled with funds from other awards or Federal agencies...." In addition, under managing federal funds it states in part "All recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them..." The Code of Federal Regulations (CFR) 180.300 states in part that "applicants are not presently debarred, suspended, declared ineligible or excluded by any Federal department..."

Through review of the financial records, it was noted that the Homeland Security Grant Program accounting records are not in a separate fund. The accounting records are being recorded with the Police Jury's general fund.

Through discussion with management, it was noted that documentation could not be provided on certain applications, financial reports, and procurements made during the fiscal year for the Homeland Security Grant. In addition, no one is performing a suspension and debarment verification on vendors who are receiving federal funding to determine if they are eligible to receive federal funds.

<u>Corrective action planned</u>: The Police Jury is obtaining assistance in setting up an additional fund for the Homeland Security Grant Program. The Homeland Security Grant Program Director will now provide all original documentation to the Secretary Treasurer to ensure all documentation is properly retained.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340

Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: December 31, 2010.

Reference # and title:

09-F10

Capital Assets

<u>Federal program and specific Federal award identification</u>: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's Office of Homeland Security and Emergency Preparedness.

Condition: The Code of Federal Regulations (CFR) 215.34 (f) (1) states in part that "Equipment records should be maintained accurately they shall include...a description, serial number or other identification number, source of the equipment, acquisition date and location of the equipment..." In addition, CFR 215.34 (f) (3) states in part that "A physical inventory of equipment shall be taken and reconciled with the equipment records at least once every two years..."

During discussion with management it was noted that a listing is not utilized showing a description of the asset and where that asset is located. Capital assets purchased with federal funds are not being tagged to show possession of the grant or federal agency. Agency vehicles were not noted with decals. Furthermore, capital assets purchased with federal dollars are not being inspected at least every other year.

During review of repairs and maintenance accounts, it was noted that several assets exceeding the capitalization threshold were not being capitalized and depreciated over their useful life.

<u>Corrective action planned</u>: The Homeland Security Grant Director is now generating an up-to-date listing of capital assets purchased with grant funding and its location. The Homeland Security Grant Director will also tag assets to show possession of the grant or federal agency. He will perform the required inspection at least every other year.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: December 31, 2010.

Reference # and title:

09-F11

Violation of the Federal Bid Requirements

<u>Federal program and specific Federal award identification</u>: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's Office of Homeland Security and Emergency Preparedness.

<u>Condition</u>: The Code of Federal Regulations (CFR) 215.43 states in part that "all procurements transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition".

In testing bids, it was noted that the Police Jury purchased several Motorola radios with federal grant funds and stated that they were purchased under state contract. However, the Police Jury was unable to provide documentation on the state contract numbers to determine that all applicable regulations were followed.

<u>Corrective action planned</u>: The Police Jury is now documenting state contract numbers on all invoices for purchases made under those state contracts.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: Immediately.

Reference # and title: 09-F12 Cash Management

<u>Federal program and specific Federal award identification</u>: This finding relates to the Homeland Security Grant Program, CFDA#97.067, for the federal award years 2005, 2006, 2007, 2008, and 2009 received from Federal Agency: U. S. Department of Homeland Security, passed through the Governor's Office of Homeland Security and Emergency Preparedness.

<u>Condition</u>: Proper controls over cash management require that documentation for requests of advance funds be retained, in order to determine the existence of the request and test to determine the federal guidelines for cash management have been met.

In testing nine requests for advancement of funds, it was noted that the Police Jury could not provide documentation on four of the requests. Due to not having the original documentation for request of advance funds, it could not be determined if the Police Jury requested payment more than one-hundred and twenty days before actual invoice payment.

<u>Corrective action planned</u>: The Homeland Security Grant Program Director will now submit all original documentation for grant requests for advancements of funds to the Police Jury office to ensure original documentation is retained.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340 Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: Immediately.

Reference # and title: 09-F13 Sub-recipient Monitoring

<u>Federal program and specific Federal award identification</u>: This finding relates to the Section 8 HCV (Housing Choice Vouchers), CFDA#14.871, for the federal award year 2009 received from Federal Agency: U. S. Department of Housing and Urban Development.

<u>Condition</u>: According to 2CFR 215.51 in the Code of Federal Regulations recipients are responsible for managing and monitoring each project program in which they pass through federal awards to all sub-awards to ensure sub-recipients have met the audit requirements.

Through testing and discussion with management, it was noted that the Police Jury passed the Section 8 program to another entity. However, the Police Jury does not complete any monitoring procedures of the program or operations of the program to ensure the pass through entity is following the audit requirements of the Section 8 HCV program.

<u>Corrective action planned</u>: The Secretary Treasurer will receive training on proper monitoring procedures and will implement those procedures to ensure the program is properly monitored and reviewed.

Person responsible for corrective action:

Patti Mizell, Secretary-Treasurer Catahoula Parish Police Jury P. O. Box 248 Harrisonburg, LA 71340

Phone: 318-744-5435 Fax: 318-744-0205

Anticipated completion date: December 31, 2010.